Assessing the effectiveness of loyalty programs in building customer engagement and loyalty

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GENERAL INTRODUCTION

In the last decades, the dominant trend has shifted from transactional to relationship marketing. In the 20th century, transactional marketing, which focuses on individual transactions, was the predominant trend. Transactional marketing campaigns focus on the actual sales process for products by promoting sales in the hope to attract more and more new customers. A typical example of transactional marketing is a promotional price reduction. It is characteristically short-term oriented and gives no importance for customer relationship. On the other hand, relationship marketing is concerned with developing and strengthening relationships with both current and prospective customers (Buttle and Maklan 2009). Relationship marketing aims to value the long-term relationship between the company and its customers. The main emphasis of relationship marketing strategies are on retention of existing customers for the long-term benefits of the company, not on attracting new customers on a daily basis.

The management of customer relationships has become a top priority for many companies (Verhoef et al. 2010). In fact, the fundamental reason that companies want to build relationships with customers is economic. Stronger customer relationships have been found to enhance seller performance outcomes, including sales growth, shares, and profit (Morgan and Hunt 1994; Palmatier et al. 2006). The belief that investing in relationship marketing strategies builds stronger, more trusting customer relationships has led to massive spending on relationship marketing strategies in companies (Morgan and Hunt 1994). Relationship marketing can be defined as "*all marketing activities directed towards establishing, developing and maintaining successful relational exchanges*" (Morgan and Hunt 1994, p. 22). This concept of relationship marketing has received an explosive growth in attention in marketing literature and practice.

A relationship is composed of a series of interactive episodes between dyadic parties over time (Buttle and Maklan 2009) . Each episode is composed of series of interactions, which consist of communicative behaviors between two parties (Buttle and Maklan 2009). Relationships exist only when interdependence between the two partners exists (Hinde 1979). For example, when a customer buys occasionally some grocery products in a store, it is a transaction, not a relationship. However, when the customer returns several times to that same store, because he or she prefers that particular store, a relationship occurs.

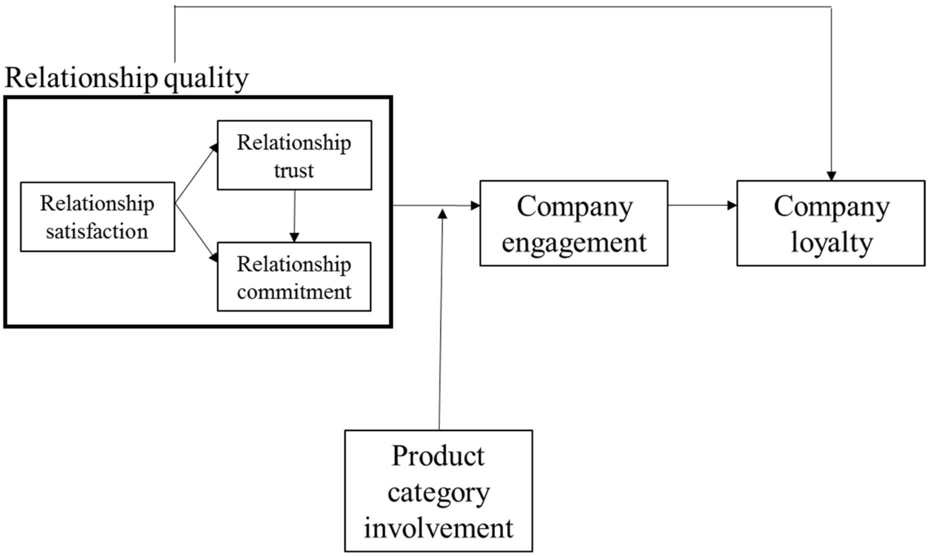
Increased customer loyalty is one of the most common outcomes expected from relationship marketing strategies. Indeed, previous research has shown that the costs of serving loyal customers are less because loyal customers are less price sensitive, spend more time with the company, and pass on positive recommendations about their favorite brands or suppliers (Reichheld 1996). With their relationship marketing strategies, companies thus expect to build strong relationships with their customers and consequently, hold a loyal and profitable customer base.

Traditionally, research in the field of relationship marketing has pointed out that trust and commitment are essential ingredients for building long-term relationships (Morgan and Hunt 1994). A few years later, the concept of relationship quality has emerged. It can be considered as an overall assessment of the strength of a relationship (Garbarino and Johnson 1999). Relationship quality is reflected by a combination of relationship satisfaction, trust, and commitment (De Wulf et al. 2001). Trust has been described as *"the glue that holds a relationship together across time and different episodes"* (Buttle and Maklan 2009, p. 27). When mutual trust exists between partners, both are motivated to make investments in the relationship. Trust is defined as *"a willingness to rely on an exchange partner whom one has confidence"* (Rotter 1967, p. 651) and exists when someone has confidence in an exchange partner's reliability and integrity (Morgan and Hunt 1994). Commitment is an enduring desire to maintain a valued relationship (Moorman et al. 1992; Palmatier et al. 2006). Relationship satisfaction is a consumer's affective state resulting from an overall appraisal of his or her relationship with a company (De Wulf et al. 2001). When conducting research in relationship marketing, it is also essential to consider involvement. Indeed, product category involvement is a contextual factor that influences the effectiveness of relationship marketing tactics (Gordon et al. 1998). Involvement is most frequently conceptualized as perceived personal relevance (Zaichkowsky 1985).

More recently, customer relationship management research has evolved and marketing scholars are paying more attention to the concept of customer engagement (Brodie et al. 2011). In this increasingly networked society where customers can interact easily with other customers and companies through social networks and other new media, *non-transactional* customer behavior is becoming more important (Verhoef et al. 2010). The concept of customer engagement captures the non-transactional behaviors of customers and can be defined as *"customers' behavioral manifestations toward that company, beyond purchase, resulting from motivational drivers"* (van Doorn et al. 2010, p. 254).

The above-mentioned concepts of trust, commitment, satisfaction, involvement and engagement and loyalty are essential in relationship marketing and closely related, yet they are conceptually distinct from one another. There is a need to better understand the distinctions between these relationship-marketing concepts and how they are linked. The following section tries to address this issue. The theoretical model appears in Figure 1. We start by defining each construct based on our literature review and propose how the constructs are linked.

Figure 1: Theoretical model of relationship marketing



Loyalty

Loyalty has been defined and operationalized in many different ways. Traditionally, customer loyalty has been considered as a behavioral measure. That is, loyalty of a customer as observed from the customer's purchase behavior. In the retailing context, to measure loyalty, the following measures of customer behavior are commonly applied by practitioners: Share of Purchase (SOP) that measures the relative share of a customer's purchase as compared to the total number of purchases and Share of Visits (SOV) that measure the number of visits to the store as compared to the total number of visits to all patronized stores in the same category (Mägi 2003). Other commonly used measures include Share of Wallet (SOW), which is the expenditure at a specific store as a fraction of total category expenditures. But, many research pointed out that "true" behavioral loyalty by itself cannot be a measure of 'true' customer loyalty and can be an unreliable predictor of customer profitability (Kumar and Shah 2004). Shoemaker and Lewis (1999) proposed that 'true' customer loyalty is difficult to build and sustain without including the underlying attitudinal aspects of the customer that drive customer behavior.

Currently, researchers commonly agree that loyalty is composed of a psychological, as well as a behavioral component and rely on following definition: *"A deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior"* (Oliver 1997, p. 392). Loyalty reflects the customer's intention to maintain the relationship in the future and captures the likelihood of continued purchases. Palmatier et al. (2006) proposed that it is a composite or multidimensional construct combining different groupings of intentions, attitudes and seller performance indicators.

Relationship satisfaction

The first component reflecting the quality of the relationship is relationship satisfaction. Satisfaction is regarded as an important concept in relationships (Garbarino and Johnson 1999). Satisfaction is defined as *"the consumer's response in a particular consumption experience to the evaluation of the perceived discrepancy between prior expectations (or some other norm of performance) and the actual performance of the product received after its acquisition"* (Day 1969, p. 496). Satisfaction is also considered as pleasurable fulfilment (Oliver 1997). It is the consumer's sense that consumption provides outcomes against a standard of pleasure versus displeasure (Oliver 1999).

Cumulative relationship satisfaction is distinguished from transaction-specific customer satisfaction, which is an immediate post-purchase evaluative judgment or affective reaction to the most recent transactional experience (Oliver 1997). Relationship satisfaction is conceptualized as an affective state and is considered as a cumulative effect over the course of a relationship compared with satisfaction that is specific to each transaction (Anderson et al. 1997). When a customer is satisfied with the relationship, he/she will be more likely to trust and be committed in the relationship. Previous research found a positive relationship between overall relationship satisfaction and trust and commitment (Garbarino and Johnson 1999).

Trust and commitment

The second component of relationship quality is trust. Trust is the "*confidence in an exchange partner's reliability and integrity*" (Morgan and Hunt 1994, p. 23). Trust is important because it acts as relational governance mechanism assuring partner reciprocity and non-opportunistic behavior (Ganesan 1994). Trust builds when the customer has confidence in company's reliability and integrity (Wong and Sohal 2002). Confidence results from the firm belief that the trustworthy party is reliable and has high integrity, which are associated with such qualities as consistent, competent, honest, fair responsible, helpful, and benevolent (Morgan and Hunt 1994).

The third component constituting relationship quality is commitment. Similarly to trust, commitment is recognized as an essential ingredient for successful relationships (Morgan and Hunt 1994). Commitment is shown by "*an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum effort to maintain it; that is, the committed party believes the relationship is worth working on to ensure that it endures indefinitely*" (Buttle and Maklan 2009, p. 27). Relationships are built on the foundation of mutual commitment (Berry and Parasuraman 2004).

Trust is the confidence in a partner's reliability and integrity (Morgan and Hunt 1994) whereas commitment is an attitude towards the art of maintaining a relationship with a partner (Fullerton 2011). Commitment is deepened when trust increases. Trust is a precursor of commitment because people are unlikely to be committed unless trust is already established.

Moorman et al. (1992, p. 82) define trust as *"a willingness to rely on an exchange partner in whom one has confidence"*. The "willingness" incorporated in this definition is a behavioral intention that is a critical facet of trust's conceptualization because *"if one believes that a partner is trustworthy without being willing to rely on that partner, trust is limited*" (Moorman et al. 1992, p. 315). In their model of relationship marketing, Morgan and Hunt (1994) found a direct positive link between trust and cooperation. In other words, if a customer trusts a company, then he would be willing to cooperate. Genuine confidence that a partner can rely on another will imply behavioral intention (Morgan and Hunt 1994).

To summarize, commitment arises from trust and motivates partners to cooperate in order to preserve the relationship. Therefore, customer brand engagement (which is a behavioral manifestation and thus, a form of cooperation) is expected to be positively related to relationship quality. Indeed, for customers who have relevant, pre-established levels of satisfaction, trust and commitment with a company, extant perceived relationship quality levels may act as antecedents of customer engagement with a company (Hollebeek 2011). Moreover, Pansari and Kumar (2016) propose that, when a customer's relationship is satisfied and has emotional bonding, it will progress to the stage of company engagement.

Relationship quality will also predict customer's loyalty behaviors and attitudes towards the company. Researchers seem to agree that customer's relationship with the brand precedes and contributes to loyalty intentions (Algesheimer et al. 2005). More precisely, loyalty is preceded by relationship quality, which is composed by satisfaction, trust and commitment. Satisfaction and loyalty are linked inextricably (Oliver 1999). Satisfaction is a necessary step in loyalty formation; it is *"a seed that requires the nurturance of sun, moisture and soil nutrients"* (Oliver 1999, p. 42). For satisfaction to affect loyalty, frequent or cumulative satisfaction is required (Oliver 1999).

Trust and commitment are also highly associated with loyalty. Indeed, attitudinal loyalty reflects the customer's intention to maintain the relationship in the future. It represents a higher-order, or long-term, commitment of a customer to the organization (Shankar et al. 2003). The emotional states of commitment and trust are necessary ingredients for a relationship and contribute to the customer's intention to maintain the relationship. Some authors even argue that commitment represents the attitudinal part of loyalty (Oliver 1997).

Engagement

Engagement marketing represents *"the firm's deliberate effort to motivate, empower, and measure a customer's voluntary contribution to its marketing functions, beyond a core, economic transaction"* (Harmeling et al. 2017, p. 312). There are differing conceptualizations of the term *customer engagement*. Although it has been considered as either behavioral or psychological, a general consensus indicates that it is a customer's behavioral response to a firm, going beyond the core economic transaction (van Doorn et al. 2010). Defining it behaviorally rather than psychologically may be preferable because it sets engagement apart from and does not preclude other psychological constructs (Harmeling et al. 2017). Customer engagement is more than a psychological state and is characterized by a customer's *active behavioral manifestation*, which is what sets engagement apart from commitment, trust, satisfaction and involvement. Central to the conceptualization of engagement is that it embodies specific interactive customer experiences, beyond the central act of purchasing (van Doorn et al. 2010; Brodie et al. 2013).

Engagement is distinct from loyalty because it does not make comparative evaluation of brands, nor does involve behavioral decision-making with respect to transaction or repurchase (Vivek et al. 2012). Although engagement is different from loyalty, customer engagement with a company builds a strong connection with the company customers associate with engagement. Engaged customers typically display greater brand loyalty (Jaakkola and Alexander 2014).

Involvement

Product category involvement, defined as the perceived relevance of a product to the interest, needs and values of a customer, with a product category, has for long being considered as a vital aspect of consumer behavior (Zaichkowsky 1985; Dwivedi 2015). Involvement acts as a moderator of the link between relationship quality and engagement. Researchers have suggested that a relationship can add value only for customers who are already interested in the product (Dick and Basu 1994). They state that involved customers are more likely to participate in marketing relationships and derive value from this relationships (Gordon et al. 1998). Relationships may be perceived as invasive or annoying when directed at consumers with lower levels of involvement. Consequently, relationship marketing could be regarded as undesirable by customers when their involvement in the product category is low (Christy et al. 1996).

Involvement leads to higher motivation, heightened arousal, and increased cognitive elaborations (Mano and Oliver 1993). High level of emotions strengthen the experience of emotions, in general. The impact of emotions on cooperation with the company will be enhanced for a higher involvement product or service (Pansari and Kumar 2016). Hence, when customers are highly involved in a product category, they will be more motivated to cooperate, in other words, perform engagement behaviors, with the company selling that particular category.

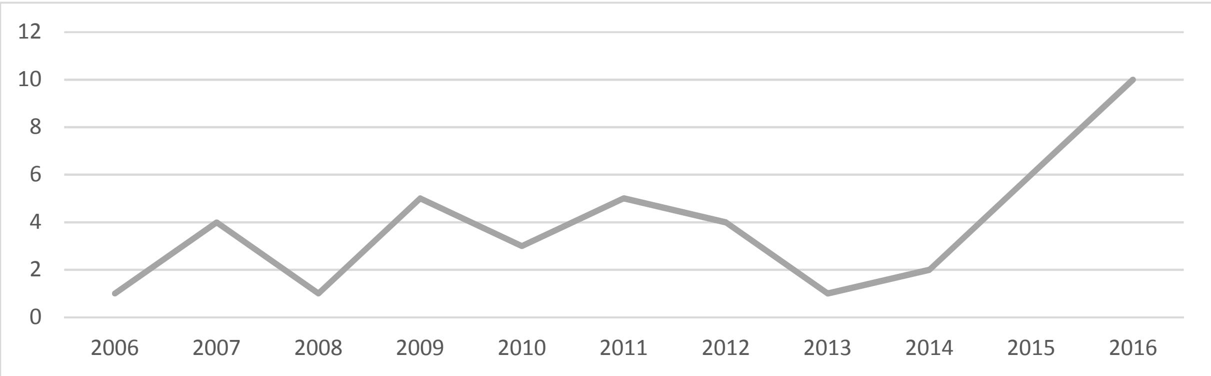
Loyalty programs

Because managers see relationship building as crucial to superior performance, they make efforts to build it through relationship marketing tactics. Relationships require interdependence between two parties (Hinde 1979). To build relationships with their customers, firms develop tools in order to create or enhance economic value at reduced cost (Ashley et al. 2011). Over the past decades, loyalty programs (LPs) have become a key relationship management tool, serving a critical role in developing relationships, stimulating product and service usage, and retaining customers (Kivetz and Simonson 2003). LPs aim to increase customer loyalty by rewarding customers for doing business with the company (Liu 2007). Traditionally, LPs were developed to engender behavioral loyalty by rewarding continued patronage (Dowling and Uncles 1997). Loyalty programs were defined as structured marketing efforts which reward, and therefore encourage loyal behavior (Sharp and Sharp 1997). These traditional perspectives on LPs suggest repeated purchase behavior through financial rewards. At the heart of these programs, is the principle of reinforcement whereby it is believed that purchase behaviors, which are rewarded, will be repeated. But, rapidly, those programs were criticized because they were acting more as a promotional tool than a mechanism to build relationships (Sharma 2007). Customers switched from store to store to take advantage of the best deals available.

But, nowadays, LPs aim at building relationships with customers. The financial incentives offered by programs are leveraged with non-financial incentives to promote the formation of long-term relationships (Brashear-Alejandro et al. 2016). During the last decade, these programs have increased in number and have become more and more popular with customers. Since competition among rival programs is intense, retailers try to differentiate from each other by innovating with their programs by offering a wide variety of incentives. Many different terms describe LPs, including reward programs, relationship marketing programs, and loyalty cards. We use the term “loyalty program” to encompass all these forms and conceptualize LPs as various marketing incentives (e.g., reward cards, gifts, tiered service levels, and dedicated support contacts) that are designed to engage customers in long-lasting relationships (Henderson et al. 2011).

In the last decades, the boom of information technology and the shifting of companies toward relationship building with customers have prompted the development of LPs. Firms invest a staggering $2 billion on loyalty programs every year in the US (Gallup 2011). Moreover, the loyalty management market is expected to grow USD 1.4 Billion in 2015 to USD 4.0 Billion by 2020 (Markets 2015). Accordingly, academic interest in LPs has accelerated, with increasing numbers of publications in major marketing journals as shown in Figure 2.

Figure 2: the number of academic publications on loyalty programs



The accounted journals are Journal of Marketing, Journal of Retailing, Journal of Consumer Research, Journal of the Academy of Marketing Science, Journal of Marketing Research, International Journal of Research in Marketing, Journal of Consumer Psychology, Industrial Marketing Management, Journal of Service Research, Marketing Science, Journal of Business Research, Marketing Letters

For companies, LPs are among the most popular marketing tools developed to achieve the following objectives: collect information, increase customer retention, and enhance customer relationships (Demoulin and Zidda 2009; Kang et al. 2015; Ashley et al. 2016). For many firms, LPs are key for information collection. Gaining data helps them customize offerings and optimize their strategies, with the ambition to engage their customers in long lasting relationships. In today's market scenario, in which competition is intense and the world has become a unified market, it is crucial for firms to keep their customers engaged. A recent study found that fully engaged customers accounted for a 23% increase in revenue, whereas actively disengaged customers resulted in revenue drops of 13% (Gallup 2011). These statistics indicate that firms should focus on designing strategies that ensure customer engagement. Approximately 60% of companies rank customer engagement as their top priority (Bluewolf 2013) and managers cite it as critically important (Tierney 2013). LPs, as a prevalent engagement strategy tool, aim to enhance customers' engagement in long-term relationships and thereby increase a firm's long-term profitability. However, despite the growing interest in LPs, their value to the firm is a source of debate. Actually, LPs are not fully living up expectations. The good news is that, customers still love to join loyalty programs with no sign of slowing down. Memberships jumped by 26% to 3.3 billion, from 2012 to 2014. Furthermore, the total number of members of LPs worldwide is likely to have doubled between 2010 and 2015 (Berry 2015). However, the bad news is that active participation in those programs continues to decline. More than half of the members (58%) do not even bother to participate, much less become engaged and enthusiastic members (Berry 2015). These numbers confirm previous academic work that found that a very high percentage of consumers who subscribe are not card loyal (Mauri 2003).

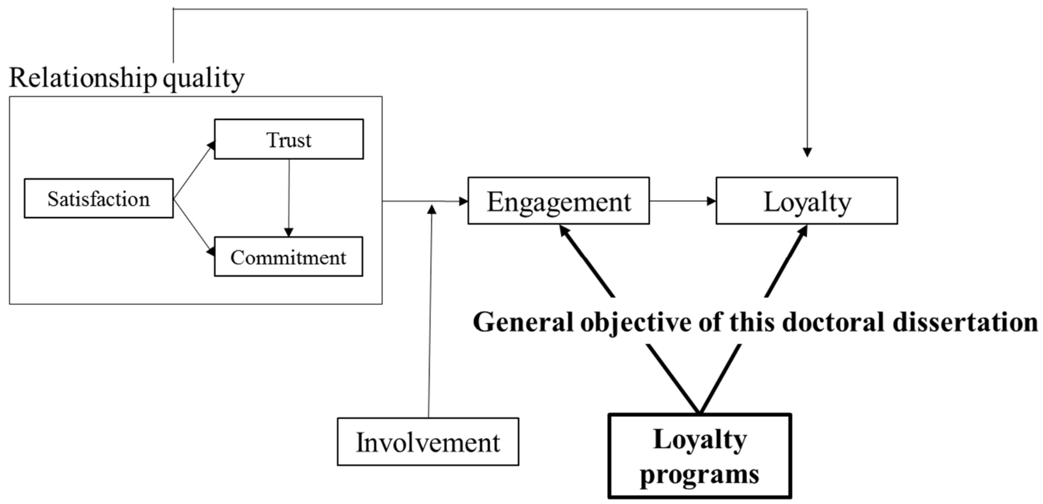
From an academic point of view, the debate on whether LPs are truly effective also continues. Marketing researchers have studied the effectiveness of LPs extensively. A first group of authors has studied the effect of LPs on customer behavior (Wang et al. 2016). Some studies found positive effects of LPs on purchase behavior (Lewis 2004), whereas others provide showed no or negative effects (Sharp and Sharp 1997; Mägi 2003). A second stream of research studied the effects of LPs on customers' attitudes (Steinhoff and Palmatier 2016). Specifically, with regard to LPs, there are distinct forms of attitudinal loyalty. Two types of loyalty have been identified by previous research (Yi and Jeon 2003; Evanschitzky et al. 2012):

program loyalty and company loyalty. Program loyalty is having a positive attitude towards the benefits of the LP whereas company loyalty is having a positive attitude towards the company (Yi and Jeon 2003). Both loyalties are different in nature. Program loyalty constitutes a more economic short-term loyalty and company loyalty is more long-term emotional in nature, since it is driven by the quality of the relationship with a company (Evanschitzky et al. 2012). On the one hand, some previous studies found positive effects of LPs on program loyalty (Evanschitzky et al. 2012; Kang et al. 2015), which in turns positively impacts company loyalty (Yi and Jeon 2003). However, on the other hand, some authors argue that LPs are shams in the sense that they produce liabilities (short-term loyalty to the program) rather than assets (long-term company loyalty) (Dowling and Uncles 1997; Shugan 2005). They suggest that LPs will create liabilities for companies by promising future rewards and making customers loyal to these incentives rather than foster long-term relationships. A third stream of research in the context of LPs emphasized the importance of having the appropriate LP design and rewards to increase behaviors or attitudes towards LPs (Kang et al. 2015). Reward structure has been largely studied in previous literature. Prior research has investigated the effects of the reward form (monetary vs. non-monetary) (Bridson et al. 2008), the aspirational value (luxury vs. necessity) (Kivetz and Simonson 2002), the brand-reward compatibility (brand-related vs. non-brand-related) and reward timing (immediate vs. delayed) (Keh and Lee 2006). Other LP design components have also been studied such as membership requirements (Ashley et al. 2016), program structure (Kopalle et al. 2012), point structure (Drèze and Nunes 2009) or program communication (Dorotic et al. 2014).

To conclude, while LPs' importance keeps on rising from managerial and academic points of view, their worth remains debatable. Researchers have investigated the ability of LPs in building satisfaction, trust, commitment, program loyalty and company loyalty. However, whereas one of the main objectives of LPs is to build customer engagement, to the extent of our knowledge, no research exists on the ability of LPs in building customer engagement. For LPs as a relationship marketing strategy to succeed, it is crucial that members cooperate and engage with LPs. But, numbers show that managers fail to engage their members with LPs. Additionally, academics continue questioning the ability of LPs to build emotional company loyalty rather than economic, short-term program loyalty.

This doctoral dissertation builds on this challenging reality and aims at *assessing the effectiveness of LPs in building engagement and loyalty*. The general objective of this doctoral dissertation appears in bold in Figure 3**.** In this dissertation, we focus on the *positive* outcomes of LPs and more specifically, how LPs can *enhance relationships through customer engagement and loyalty*.

Figure 3 : The general objective of this doctoral dissertation in the theoretical framework of relationship marketing



Purpose of the dissertation and research questions

The comprehensive objective of this doctoral research is to uncover important factors that can further the current understanding of customer responses to LPs. The main objective of this research is to *assess the effectiveness of loyalty programs in building customer engagement and loyalty*. To achieve this objective, four questions are introduced.

To be an effective instrument for firms to obtain customer knowledge and develop relationship strategies, it is key that customers engage in LPs. The use of loyalty cards as a knowledge tool has become very critical to develop long-term engagement strategies. Hence, knowledge accumulates only if cards are used. Moreover, for the engagement strategies to succeed, it is necessary that customers respond to the diverse incentives proposed. Traditional operational metrics, such as enrolment and redemption rates, offer useful insights into the health of a LP. However, there is a need to define additional metrics that measure the level of engagement generated. Operational metrics used by managers should be complemented by engagement-based metrics (Capgemini 2015). Despite the increasing managerial and theoretical importance of engagement, little attention has been paid to the study of engagement from an LPs' perspective. In this doctoral dissertation, we are interested in providing insights on how to engage customers with LPs. Although there is a clear evidence that the main objectives with LPs is to engage customers in long-term relationships (Ashley et al. 2016; Crowdtwist 2016), the definition and the conceptualization of customers' engagement in LPs is less obvious. Previous research has sought to provide various measures of engagement including consumer brand engagement (Hollebeek et al. 2014; Dwivedi 2015), community engagement (Baldus et al. 2015) or brand engagement in self-concept (Sprott et al. 2009). However, none of these measures captures the complexity of customers' engagement with LPs. This leads to the first question of this doctoral research:

<u>*Research question 1*</u>*: What is engagement with LPs and how to measure it?*

Following the clarification of the LP engagement concept and the development of a valid scale for it, we focus on the impact of LP engagement on company engagement. Indeed, as the final objective of LPs is to create long-term relationships and thus increase company engagement, it seems crucial to understand how customer engagement in LPs will affect customer engagement with the company. This leads to the formulation of the second research question of this doctoral dissertation:

<u>Research question 2</u>*: How is LP engagement linked with company engagement?*

Furthermore, in order to be able to increase LP engagement, it is necessary to understand the potential elements of an LP's design that can enhance some forms of customers' engagement with LPs. Previous research pointed out how customers' participation in LPs are driven by LPs' perceived benefits (De Wulf et al. 2003). This leads to the formulation of the third research question of this doctoral dissertation:

<u>Research question 3</u>*: What type of LP perceived benefits will enhance LP engagement?*

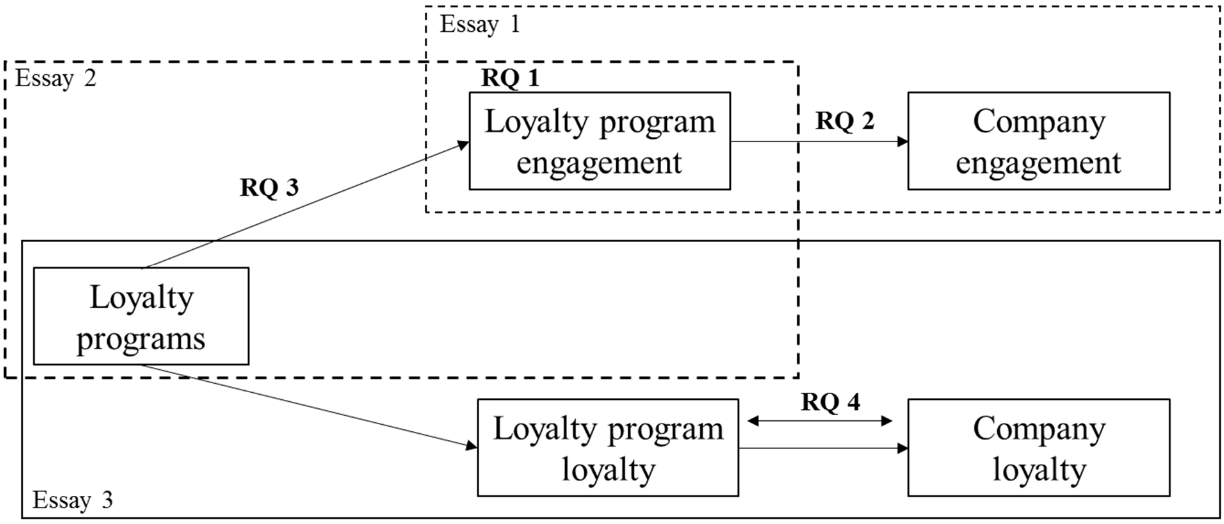
Finally, whereas many LPs may fail in building engagement, they might also fail in creating company loyalty with LPs and create program loyalty instead. Previous research studied the antecedents of both loyalties and how they are linked (Yi and Jeon 2003; Evanschitzky et al. 2012), but they did not consider both concepts together in order to investigate how to make customers more company loyal *rather than* program loyal with LPs. Accordingly, we formulate the third question of this doctoral dissertation as follows:

<u>Research question 4</u>*: How to create long-term company loyalty rather than short-term program loyalty with LPs?*

Outline of the dissertation

This doctoral dissertation consists of three essays. Although each essay more particularly pertains to one (or two) of the above-mentioned research questions, these three essays are complementary in bringing new insights into customer responses to LPs. In Figure 4, the four research questions (RQ) are indicated in bold and the essays addressing these questions are represented as frames.

Figure 4: Research questions addressed by the three essays in this dissertation



The way in which the research questions, previously reviewed arguments and propositions are articulated through the three essays is outlined in the present section and summarized in Table 1, which also recapitulates the research design, methodology and main findings of each of the three studies.

In the ***first essay***, our aim is to address the first two research questions and thus investigate what engagement with LPs is, how to measure it and how it is linked with company engagement. In this essay, we start by reviewing existing research that focuses on the conceptualization of engagement. We then reveal some limitations of the existing scales to measure engagement with LPs. Afterwards, we follow the principles of scale development recommended by DeVellis (2012). We then assess predictive validity by investigating the link between LP and company engagement. This essay relies on qualitative and quantitative studies. With the help of a qualitative study, we conceptualize LP engagement according to six behavioral manifestations that seem to be hierarchically ordered by intensity levels: proactively using card, redeeming points, being receptive to information, adapting purchase behavior, sharing information, and searching for information. Next, we generate an initial pool for each of the dimensions based on the qualitative data and on the review of relevant engagement and LP literature. We then conduct a series of two surveys to assess the scale's dimensionality, reliability, validity (convergent, discriminant and incremental validity). With the third study, we also assess the hierarchy of the scale by using a Guttman scalogram and Mokken scale analysis. With a fourth study, we cross validate our scale and test the predictive validity by studying the impact of LP engagement on company engagement.

The findings empirically validate the multi-dimensional conceptualization of engagement proposed in our qualitative study. Our results also found support for convergent, discriminant and incremental validity. As predicted in our qualitative study, the Guttman scalogram and the Mokken scale analysis confirmed that LP engagement behavioral manifestations vary in intensity levels. Some LP engagement behaviors such as card usage or point redemption are considered as less demanding in effort and are more frequently executed by LP members, other behaviors such as sharing or searching for information appear to be more demanding in effort and less likely to be executed. Finally, our results underscore that not all LP engagement behaviors are correlated with company engagement. Behaviors that are not much demanding in effort (card usage, point redemption and receptivity to information) are not highly correlated with company engagement.

Table 1 : Research questions, methodological orientation and key findings of each essay

	Essay One	Essay Two	Essay Three
Focus	Measuring customer's engagement in LPs and study its link with company engagement .	Investigating what type of LP design will enhance LP members' engagement with LPs.	Investigating how to make customers company loyal (rather than LP loyal) with LPs.
Specific research questions	What is LP engagement and how to measure it? Are LP engagement behaviors hierarchically ordered? How is LP engagement linked with company engagement?	What type of design (inducing utilitarian vs. hedonic or recognition benefits) will enhance LP engagement ?	What behavioral patterns will reduce the gap between program loyalty and company loyalty? What LP-related communication will reduce the gap between program loyalty and company loyalty?
Dependent Variables	Company engagement	LP engagement	The gap between program loyalty and company loyalty.
Independent Variables	LP engagement	LP perceived benefits	Speed of earning loyalty points, redemption rate and LP-related communication
Moderating Variables	-	Product category involvement and company loyalty	-
Method / Sample / Analyses	Study 1: qualitative study (N=22) - content analysis Study 2: Online survey (N=383) - Exploratory factor analysis Study 3: Online survey (N=692) - Confirmatory factor analysis & Mokken scale analysis Study 4: Online survey (N=1767) - Structural Equation modelling and bootstrap for mediation	Study 1: Online survey (scenario-based experiment) (N=307) - General Linear Models	Study 1: survey data + behavioral data (N=1786) - Linear Regression Modelling Study 2: Online survey (field experiment) (N=150) - Linear Regression Modelling
Key Findings	LP engagement is composed of a set of hierarchically ordered behavioral manifestations: using card, being receptive to information, redeeming points, adapting purchase behavior, sharing information & searching for information Using card, being receptive to information and redeeming points are not good predictors of company engagement. Adapting purchase behavior, sharing and searching for information mediate their relationship with company engagement.	Utilitarian benefits better enhance LP participation under low involvement, hedonic benefits are more effective under high involvement. Recognition benefits are effective to enhance LP participation, but only with already loyal customers	High speed of earning or high redemption rate reduces the gap between program loyalty and company loyalty but high speed of earning combined with high redemption increases this gap. Brand-related monetary direct communication increases the gap between program loyalty and company loyalty.

More demanding behaviors (adapting purchase behavior, sharing and searching for information) have higher correlation levels with company engagement. Based on the above findings, this first essay adds on previous research by providing researchers with a valid and reliable scale of LP engagement. It also contributes to previous LP research by showing that traditional metrics to evaluate customers' engagement in LPs are not adequate to measure their engagement with the company. This first essay also offers managers a tool for monitoring the entire set of customers' responses to LPs. In addition, it provides recommendations on what LP engagement behaviors managers need to encourage for engaging their customers in relationships.

In the ***second essay***, we address the third research question and investigate what type of LP perceived benefits increases LP engagement. We first review the literature on the benefits customers are likely to derive when being engaged with an LP. Based on the findings of Mimouni-Chaabane and Volle (2010), there are three major types of LP perceived benefits: utilitarian benefits, hedonic and symbolic benefits. Utilitarian benefits are tangible in nature and are related to the monetary incentives of the LP whereas hedonic benefits are more emotionally gratifying benefits based on more intangible incentives such as exclusive members' invitations to special events, content-based communication or special services to LP members. Utilitarian benefits are divided into two sub dimensions: exploration benefits (discovering new content) and entertainment benefits (the perceived degree of amusement). Symbolic benefits refer to the extrinsic advantages that LPs can provide in relation for self-esteem and are divided into recognition (customers feel better treated than others) and social benefits (feeling of belonging to a group) (Mimouni-Chaabane and Volle 2010). Because of their nature, social benefits are more customer-dependent than company-dependent. We thus decide to focus on the impact of recognition benefits in the second essay. Across an online experiment, this essay investigates what type of benefits companies should induce to enhance their LP members' engagement. The study consists of an online experiment based upon a well-known Belgian grocery retailer and involving a 2x2 between-subject design. In the utilitarian condition, price reductions were offered whereas in the hedonic condition a culinary recipe was presented. Recognition benefits were manipulated with personalization. In the recognition condition, respondents had to imagine being “Pierre” or “Virginie” and love Italian products. In the recognition scenario, e-mails were addressed to “Pierre” or “Virginie” and Italian products were presented. Based on a non-student sample of 307 respondents, the findings of this online experiment show that inducing recognition benefits is an effective strategy to LP engagement, especially for already loyal customers. This study also shows that utilitarian benefits have a positive effect on LP engagement, but only under low involvement. On the other hand, hedonic benefits seem more effective to enhance the LP engagement levels of highly involved customers. Based on the above findings, the second essay adds on previous studies by showing how to enhance LP engagement. Numbers show that LP engagement rates are low and, although engagement is crucial to build long-term relationships, existing literature lacks in providing recommendations on how to enhance LP engagement. Second, whereas research in the context of LPs mainly focuses on LP value, LP loyalty or company loyalty (Yi and Jeon 2003; Evanschitzky et al. 2012), this study adds on previous LP research by considering a new outcome: LP engagement. Third, by considering involvement and loyalty as moderators, this study confirms that customers are heterogeneous with respect to their responses to LPs (Kopalle et al. 2012). .

The ***third essay*** addresses the fourth research question and investigates how LPs can enhance loyalty to the company rather than loyalty to the program. We start by a short review on the different types of loyalties that LP members can develop. As written above, customers differentiate between loyalty to the program and loyalty to the company (Yi and Jeon 2003). LP loyalty is more short-term and economic in nature whereas company loyalty is more long term and emotional in nature (Evanschitzky et al. 2012). A common critic towards LPs is that they can develop customers' short-term LP loyalty (and thus create liabilities for companies) rather than long-lasting relationships (creating long-term assets). The main objective of the essay is to investigate how to decrease the gap between program loyalty and company loyalty. In a first study, we identify behavioral patterns (based on customers' speed of earning loyalty points and redemption rates) that tend to reduce the gap between program loyalty and company loyalty. A dataset of 1786 members of a well-known petrol provider's LP is set up based on behavioral data (for speed of earning and redemption rate) and survey data (for attitudinal measures). The results of our linear model show that high speed of earning or a high redemption rate reduce the gap between program loyalty and company loyalty, whereas high speed of earning combined with high redemption rate increase this gap. A second study investigates what type of communication managers should use to reduce the gap between program loyalty and company loyalty. A field experiment following a 2x2 between-subjects design (monetary vs. non-monetary and brand-related vs. non-brand-related communication) is conducted in order to test the effect of different e-mails on customers' attitudinal program and company loyalty. An initial survey is conducted among all LP members, followed by a series of e-mails containing the manipulations and finally a second survey (identical to the first survey) is undertaken to evaluate customers' attitudes after the e-mails. Based on a dataset corresponding to 150 LP members, the findings show that brand-related monetary communication increases the gap between program loyalty and company loyalty. The findings of this essay add on previous literature by studying the important but insufficiently explored link between behaviors and attitudes in the context of LPs. Second, rather than studying the antecedents and impact of both types of loyalties, this essay considers LP and company loyalty together by investigating how to decrease the *gap* between both. Third, it adds on previous research by confirming that members can be segmented according to their points accumulation and redemption rates (Frisou and Yildiz 2011) and showing how these rates impact their attitudes. Finally, it adds on previous studies stating that widely used monetary promotions might not always be effective.

Altogether, these three essays contribute to answer the main objective of this doctoral dissertation, e.g. assessing the effectiveness of the LPs in building customer engagement and loyalty. In contrast with prior research on LPs that did not consider customers' engagement with LPs as a factor influencing its effectiveness, this doctoral research assesses the performance of LPs based on customers' engagement in LPs, which in turn influences company engagement. These essays also contribute by providing with a better understanding of what behaviors characterize program loyal vs. company loyal customers. Furthermore, this doctoral dissertation provides insights on what reward type and kind of direct communication need to be implemented to make customers more engaged and build long-term loyalty. The three essays briefly described in this introduction are presented in turn in the following sections of this doctoral dissertation.

Epistemological perspective of this dissertation

In general, the epistemological branch of this doctoral research is positivism, and more particularly the vision of Karl R. Popper (Popper 1959). Karl Popper is generally regarded as one of the greatest philosophers of science of the 20thcentury. Within the positivist epistemological branch, there were two important periods: the first period was created by the founding fathers (A. Comte, Bentham, Mill and Durkheim) and the circle of Vienna (Carnap), and the second period that followed was created by the *Popperian revolution*.

Popper contributed to the positivist's epistemological branch in several ways. He kept the main aspects of logical positivism; for example, he never abandoned the notion that scientific knowledge is the pursuit of truth. However, he criticized some of the theories of his predecessors. Popper makes a clear distinction between facts and human norms (i.e., scientific formulations). Facts are facts but the way each person interprets these facts is different. This difference in interpretation is what makes human norms; we do not experience the facts in the same way. Furthermore, Popper says that it is *impossible to access to truth*; even though facts lead to truth, we can never be sure. We cannot verify everything and this is a complete revolution of Kant's point of view.

To investigate the main objective of this doctoral dissertation, we follow the deductive method of testing and adopt a clear and rigorous approach. The research idea of our doctoral research was *derived from the existing literature.* For Popper, it is important to compare the new theory with the existing ones and to determine whether it constitutes an advance upon them. Indeed, the literature does not clearly establishes at this time what engagement with LPs is and how to enhance it.

We also evaluate whether our assessment of the effectiveness of LPs in building engagement and loyalty would constitute a *scientific advance*. More specifically, we review literature on the effectiveness of LPs and explain how our research adds on knowledge to previous studies.

Although our main research idea is derived from and justified on certain other scientific statements, it remains at this stage in the realm of psychologism, as it has not been submitted to logical examination yet. In keeping with this idea, we formulate various specific hypotheses that could be empirically tested. For example, in our second essay, we formulate the hypothesis that utilitarian benefits would enhance LP engagement, under low involvement. Once such hypothesis has been formulated, it can be empirically tested. To test this hypothesis, we carry out an experiment on a LP members' sample, where our independent variables, the elements of the LP design, are manipulated. Such a methodology fits the positivist approach, for two reasons. First, because it assumes that the relationships between the respondents and the information they receive can be taken out of their natural context and that the reactions that are displayed in this setting may correspond to the respondents' reactions in the natural context. Second, because we use experimentation in which we attempt to control the variables, the context and the temporal order of events, causal relationships can be inferred.

In addition, the testing of hypotheses follows Popper's falsifiability principle. Through experience, we indeed find that the LP design can enhance LP engagement. However, we do so not by testing whether our hypotheses are true, but by rejecting the null hypotheses (H0). For instance, the null hypothesis of our H1 corresponds to a situation in which the utilitarian benefits do not enhance LP engagement, under low involvement. We can only conclude by saying that we did not find, through experience, any cases in which the effect of utilitarian benefits did not enhance LP engagement under low involvement. Thus, there is no reason for us to discard our theory that LP engagement is enhanced by utilitarian benefits, under low involvement.

Our research has also been submitted to discussion in the scientific community. First, we start by submitting our research to the doctoral dissertation jury, composed of scientific experts in our research topic. Then, we presented the results of our research at various academic conferences (such as the *European Marketing Academy conference* or the *Congrès de l'Association Française du Marketing*) and by submitting them for review to academic journals (such as the *Journal of Business Research*). By doing so, our results go through a review process which constitutes a first stage of discussion among a limited number of scholars belonging to the scientific community. Second, if the results of our research stand up to this first review process, they get published in scientific journals and are therefore submitted to discussion in the broader scientific community. Accordingly, our theory is exposed to *refutation* and can be *inter-subjectively tested*. To keep our H1 example, other scholars might replicate the same kind of experiments than the ones we conducted in our research, and find a situation in which the effects of utilitarian benefits do not enhance LP engagement.

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ESSAY 1:

ARE LOYALTY PROGRAM MEMBERS REALLY ENGAGED? MEASURING CUSTOMER ENGAGEMENT WITH LOYALTY PROGRAMS

Note: this essay is co-written as first author by the doctoral candidate, in collaboration with Valérie Swaen (Université catholique de Louvain) and Pietro Zidda (Université de Namur, Belgium).

Earlier versions of this essay have been presented at *the European Marketing Academy doctoral colloquium* (2013 – Istanbul, Turkey), at the *Congrès Annuel de l'Association Française du Marketing* (2014 – Montpellier, France & 2016 – Lyon, France), at the *European Marketing Academy conference* (2014 – Valencia, Spain).

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Abstract

In a quest to engage customers in long-lasting relationships, many firms rely on loyalty programs (LPs). They do fairly well in acquiring new members of LPs, but firms often fail to engage them in the long term. This article seeks to understand what engagement in LPs is, how to measure it, and how it relates to company engagement. With four studies, the authors conceptualize LP engagement as six behavioral manifestations: proactively using cards, redeeming points, adapting purchase behavior, being receptive to information, sharing information, and searching for information. The 20-item scale proposed to measure these behaviors provides a viable, novel tool for determining customers' LP engagement. Whereas previous research on LPs mainly considers card usage or point redemption behaviors as proxies for customers' LP engagement, the current research shows that these behaviors are insufficient indicators of the actual level of engagement in LPs.

Keywords: loyalty programs, engagement, scale development, hierarchical scaling

Introduction

Consumer brand engagement generates substantial interest, especially considering the high costs of customer acquisition and shifts toward analytics and data-driven marketing; approximately 60% of companies rank customer engagement as their top priority (Bluewolf, 2013), and managers cite it as critically important (Tierney, 2013). Academic interest in customer engagement also has accelerated (Brodie, Ilic, Juric, & Hollebeek, 2013; Hollebeek, Glynn, & Brodie, 2014), offering a general definition of consumer engagement as an active presence in the relationship (de Villiers, 2015; Kumar & Pansari, 2016; Raïes, Mühlbacher, & Gavard-Perret, 2015). By deploying marketing resources to engage customers in relationships, firms can achieve greater sales, more positive word of mouth, lower transaction costs, and better financial outcomes (Angulo-Ruiz, Donthu, Prior, & Rialp, 2014; Beatty, Mayer, Coleman, Reynolds, & Lee, 1996; Palmatier, Scheer, Houston, Evans, & Gopalakrishna, 2007). Engagement also induces greater marketing productivity (Sheth & Parvatiyar, 1995), is a good predictor of customer loyalty, and likely enhances profitability (Dwivedi, 2015; Kumar, Aksoy, Donkers, Venkatsen, Wiesel, & Tillmanns, 2010; Pansari & Kumar, 2016; Vivek, Beatty, Dalela, & Morgan, 2014). In turn, it offers a promising means to predict and explain important customer behaviors (Hollebeek et al., 2014).

To improve customer engagement, firms frequently turn to loyalty programs (LPs), which offer both monetary incentives and social and interactive benefits, through the customer–company relationship. In the United States, companies spend more than $50 billion annually on LPs (Shaukat & Auerbach, 2011). Customers continue to enroll in more programs; between 2012 and 2014, total LP enrollments in the United States increased by 26% (Berry, 2015). However, after they join, many customers never engage, such that the proportion of active members dropped from 46% to 42% between 2010 and 2014 (Berry, 2015). Although U.S. households belong to an average of 29 LPs, they use cards to earn points and rewards in only

12 (Berry, 2015). France shows a similar pattern: 60% of consumers possess 3–10 loyalty cards, but they use only half of their cards (Passebois, Trinquecoste, & Viot, 2012). These data suggest that firms effectively acquire new members but remain unable to engage customers in relationships based on LPs.

Furthermore, we note a general lack of understanding about what customer engagement with LPs means. Both practitioners and scholars recognize that engaging customers in relationships is a central program objective (Berry, 2015; Sharp & Sharp, 1997), but well-developed measures do not exist. When assessing the effectiveness of LPs, researchers typically use behavioral signals, such as card usage or point redemption (Bridson, Evans, & Hickman, 2008; Evanschitzky, Ramaseshan, Woisetschlager, Richelsen, Blut, & Backhaus, 2012). However, considering firms’ substantial efforts to build social bonds (e.g., contacting customers personally), card usage or redemption might not be sufficient to describe engagement in LPs, as confirmed by research that shows that card usage and repeat purchases cannot lead to relationships (Berry, 1995; Henderson, Beck, & Palmatier, 2011). Thus, we note a clear need to understand and measure various facets of customer engagement attained through LPs. In their review, Breugelmans et al. (2015) call explicitly for academic efforts to find metrics to measure consumers’ engagement in LPs. In response, this article proposes a formal definition of customer LP engagement, develops a reliable and valid measure, and tests its link with company engagement.

In turn, this study extends existing research in three main ways. First, it contributes to engagement literature by offering a new conceptual perspective that moves beyond existing perspectives, by considering a set of hierarchically ordered dimensions. Engagement is not only multidimensional but also comprises several behaviors that vary in the degree of consumer effort they demand. Thus, not all dimensions have the same probability of occurring; some LP engagement behaviors (e.g., proactive card usage) are “easy” and likely to be executed, whereas others (e.g., adapting purchase behavior) are less frequently executed because they are more effortful. Second, the valid, reliable scale for measuring LP engagement supports differentiated assessments of customers' behavioral responses to LPs. Previous engagement literature has provided some general multidimensional engagement scales, but they do not capture the full complexity of LP engagement. For example, scales that measure customer participation in a company's activities at a general level do not indicate the specific responses that companies try to induce with their LPs (e.g., proactive card usage, point redemption, responses to LP communication). Third, the proposed measure gives LP researchers and managers a tool to capture the entire set of consumer responses, beyond their card usage or point redemption behaviors. These commonly used behavioral metrics for LP engagement do not necessarily lead to the desirable ultimate outcome: company engagement. Therefore, this research offers LP managers a means to assess program members' engagement, manage those members more appropriately, and realize the program's potential to invoke more customer–company engagement.

Theoretical background

Loyalty programs

Many different terms describe LPs, including reward programs, relationship marketing programs, and loyalty cards. We use the term "loyalty program" to encompass all these forms and conceptualize LPs as various marketing incentives (e.g., reward cards, gifts, tiered service levels, dedicated support contacts) designed to engage customers in long-lasting relationships (Henderson et al., 2011).

Relationships demand interdependence between partners (Hinde, 1979); to build dependence, firms seek to enhance value at a low cost (Ashley, Noble, Donthu, & Lemon, 2011). Then customers weigh the benefits and costs, together with their expectations, to decide whether to engage in a relationship (Steinhoff & Palmatier, 2016). In this process, value must be enhanced for both partners, and reciprocity and gratitude can encourage relationships (Palmatier, Jarvis, Bechkoff, & Kardes, 2009). Therefore, in addition to economic incentives, modern LPs include social aspects, such as recognition, special treatment, personalized communications and offerings, personal invitations to special events, personalized price coupons, or customized newsletters. By moving past economic incentives, these LPs rely on personalization and customization to build relationships with members.

Despite the important role of LPs in companies' marketing mixes, and the growing numbers of loyalty cards in customers' wallets, empirical evidence about their impact on loyalty remains uncertain. Some studies reveal positive effects (Keh & Lee, 2006; Lewis, 2004; Liu, 2007); others show no or mixed effects (Mägi, 2003; Meyer-Waarden & Benavent, 2009; Sharp & Sharp, 1997). To assess their effectiveness, previous studies investigate program-related factors and designs (Noble, Esmark, & Noble, 2014; Yi & Jeon, 2003; Zhang & Breugelmans, 2011), customer-related factors such as purchase behaviors or customer traits (Liu, 2007; Mägi, 2003), and competition-related factors (Liu & Yang, 2009; Mägi, 2003). But assessing the effectiveness of LPs also requires considering relevant two-way relationships (Meyer-Waarden & Benavent, 2009) and moving beyond an exclusive focus on the company's perspective. There is a clear need to address customers' relational responses, in the form of LP engagement, and identify their active presence (or not) in the relationship.

Engagement

Before building a definition of LP engagement, it is important to understand how engagement has been conceptualized more broadly. Engagement is an emergent research topic, yet considerable conceptual and descriptive work described it in various marketing fields (Bijmolt et al., 2010; Hall-Phillips, Park, Chung, Anaza, & Rathod, 2016; Raïes et al., 2015; Sprott, Czellar, & Spangenberg, 2009). Practitioners generally cite the interaction between customers and the company, such that a customer is engaged if she or he participates in the company's offerings (Berry, 2015). But in academic literature, no such consistent definition of engagement exists, as illustrated in Table 1, though even across these varied definitions, a common theme suggests that it reflects a *relationship* between a consumer and some focal object, such as a brand (Bowden, 2009; Dwivedi, 2015; Hollebeek, 2011; Hollebeek et al., 2014; MSI, 2010; van Doorn et al., 2010), the brand's offerings (de Villiers, 2015), brand communities (Algesheimer, Borle, Dholakia, & Singh, 2010; Bijmolt et al., 2010), community members (Brodie et al., 2013), companies (Kumar et al., 2010), organizations (Patterson, Yu, & de Ruyter, 2006), the organization's offerings (Hall-Phillips et al., 2016), websites (Abdul-Ghani, Hyde, & Marshall, 2011), firm (Kumar & Pansari, 2016; Pansari & Kumar, 2016), or visual objects (Cian, Krishna, & Elder, 2014).

A closer examination of Table 1 reveals further differences and contradictions in these conceptualizations of engagement. In particular, regarding the nature of the construct, some authors define engagement as a state of mind or psychological propensity to be in a relationship, whereas others consider it a customer behavior or activity. Brodie et al. (2011, 2013) regard engagement as a psychological state; Bowden (2009) calls it a psychological process. But other authors describe it as active interactions (Kumar et al., 2010), behavioral manifestations (Bijmolt et al., 2010), or active participation (Vivek, Beatty, & Morgan, 2012). With regard to the dimensionality of the construct, many definitions regard engagement as multidimensional, combining cognitive, emotional, and behavioral perspectives. Holistic definitions acknowledge all three dimensions (Brodie et al., 2013; Hollebeek, 2011; Hollebeek et al., 2014; Mollen & Wilson, 2010; Patterson et al., 2006). But some researchers view engagement as unidimensional (Abdul-Ghani et al., 2011; Algesheimer, Dholakia, & Herrmann, 2005; Baldus, Voorhees, & Calantone, 2015; van Doorn et al., 2010). A third difference relates to a dynamic perspective on engagement. Very few authors consider its dynamic facet, but some argue that engagement is an iterative process, characterized by fluctuating intensity levels (Brodie et al., 2011;

Hollebeek et al., 2014). The process might be viewed as a series of aggregated engagement states, which are individual and context dependent and which may be observed at different levels of intensity or complexity at different points in time (Brodie et al., 2011).

Table 1
Definitions of engagement in previous research

References	Definition	Concept	Focal Relationship Object	Mental State vs. Activity	Uni- vs. Multidimensional
Algesheimer et al. (2005, p. 21)	Community engagement refers to the positive influences of identifying with the brand community, defined as the consumer's intrinsic motivation to interact and cooperate with community members.	Brand community engagement	Brand community	Mental state: motivation to interact	Unidimensional
Patterson et al. (2006, p. 3)	Customer engagement is the level of physical, emotional, and cognitive presence in a relationship with an organization.	Customer engagement	Organization	Activity: physical, emotional, and cognitive presence	Multidimensional
Bowden (2009, p. 65)	Customer engagement is a psychological process that models the underlying mechanisms by which customer loyalty forms for new customers of a service brand and the mechanisms by which loyalty may be maintained for repeat purchases of a service brand.	Customer engagement	Service brand	Mental state: psychological process	Multidimensional
Sprott et al. (2009, p. 92)	Brand engagement self-concept is an individual difference, representing consumers' propensity to include important brands as part of how they view themselves.	Brand engagement in self-concept	Important brands	Mental state: propensity to include brands	Unidimensional
Bijmolt et al. (2010, p. 341)	Behavioral manifestation includes behaviors other than purchase, such as word of mouth, participation in firms' activities, suggestions for service improvements, customer voice, participation in brand communities, or revenge.	Customer engagement	Brand communities	Activity: behavioral manifestation	Multidimensional
MSI (2010)	Customer's behavioral manifestation toward a brand beyond purchase.	Customer engagement	Brand	Activity: behavioral manifestation	Unidimensional
van Doorn et al. (2010, p. 254)	Customer's manifestation toward a brand or firm, beyond purchase, resulting from motivational drivers.	Customer engagement behavior	Brand or firm	Activity: manifestation	Unidimensional
Kumar et al. (2010, p. 297)	Active interactions with a firm, prospects, and other customers, whether transactional or nontransactional in nature, can be defined as customer engagement.	Customer engagement value	Firm, prospects and other customers	Activity: active interaction	Multidimensional

References	Definition	Concept	Focal Relationship Object	Mental State vs. Activity	Uni- vs. Multidimensional
Mollen and Wilson (2010, p. 923)	Online engagement is a cognitive and affective commitment to an active relationship with the brand, as personified by the website or other computer-mediated entities designed to communicate brand value. It is characterized by the dimensions of dynamic and sustained cognitive processing and satisfying instrumental value (utility and relevance) and experiential value (emotional congruence with the narrative schema encountered in computer-mediated entities).	Engagement in an online consumer experience	Brand personified by website or other computer-mediated entities	Mental state: commitment to a relationship	Multidimensional
Hollebeek (2011, p. 790)	Customer brand engagement is the level of an individual customer's motivational, brand-related, and context-dependent state of mind, characterized by specific levels of cognitive, emotional, and behavioral activity in direct brand interactions.	Customer brand engagement	Brand	Mental state: state of mind	Multidimensional
Brodie et al. (2011, p. 260)	Customer engagement (CE) is a psychological state that occurs by virtue of interactive, cocreative customer experiences with a focal agent/object (e.g., brand) in focal service relationships. It occurs in a specific set of context-dependent conditions generating differing CE levels; it exists as a dynamic, iterative process in service relationships that cocreate value. CE plays a central role in a nomological network governing service relationships in which other relational concepts (e.g., involvement, loyalty) are antecedents or consequences in iterative CE processes. The multidimensional concept is subject to context- or stakeholder-specific expressions of relevant cognitive, emotional, and behavioral dimensions.	Customer engagement in cocreating customer experience	Agent/object	Mental state: psychological state	Multidimensional
Abdul-Ghani et al. (2011, p. 1061)	Engagement refers to a consumer's ongoing attention to an object of consumption, such as a website or brand.	Engagement with a consumer-to-consumer online auction site	Website or brand	Mental state: ongoing attention	Unidimensional
Vivek et al. (2012, p. 133)	Customer engagement is the intensity of an individual's participation in and connection with an organization's offerings or organizational activities, which either the customer or the organization initiates.	Customer engagement	Organization's offerings	Activity: participation in and connection with	Unidimensional

References	Definition	Concept	Focal Relationship Object	Mental State vs. Activity	Uni- vs. Multidimensional
Brodie et al. (2013, p. 107)	Consumer engagement in a virtual brand community involves specific interactive experiences between consumers and the brand or other community members. Consumer engagement is a context-dependent, psychological state, characterized by fluctuating intensity levels that occur across dynamic, iterative engagement processes. The multidimensional concept comprises cognitive, emotional, and behavioral dimensions, and it plays a central role in the process of relational exchange. The other relational concepts are engagement antecedents and/or consequences in iterative engagement processes within the brand community.	Consumer engagement in a virtual community	Brand community and other members	Mental state: psychological state	Multidimensional
Cian et al. (2014, p. 187)	Engagement the maintenance of attention to a selected object, resulting in longer gaze durations and increased refixations on the object.	Engagement in visual cues	Visual object	Mental state: maintenance of attention	Unidimensional
Hollebeek et al. (2014, p. 3)	A consumer's positively valenced cognitive, emotional, and behavioral brand-related activity during, or related to, specific consumer/brand interactions.	Consumer brand engagement in social media	Brand	Activity: brand-related activity	Multidimensional
Vivek et al. (2014, p. 401)	Customer engagement is the level of the customer's (or potential customer's) interactions and connections with the brand's or firm's offerings or activities.	Customer engagement	Brand or firm's offerings	Activity: level of interactions	Multidimensional
Dwivedi (2015, p. 100)	Consumer brand engagement is a consumer's positive, fulfilling, brand use–related state of mind, characterized by vigor, dedication and absorption.	Customer brand engagement	Brand	Mental state: state of mind	Multidimensional
de Villiers (2015, p. 1956)	Active engagement is a high level of cognitive, affective, or conative investment in the brand or its offerings.	Consumer brand engagement	Brand or its offerings	Activity: level of cognitive, affective, or conative investment	Multidimensional
Baldus et al. (2015, p. 978)	Compelling, intrinsic motivations to continue interacting with an online brand community.	Online brand community engagement	Online brand community	Mental state: motivation to continue interacting	Multidimensional

References	Definition	Concept	Focal Relationship Object	Mental State vs. Activity	Uni- vs. Multidimensional
Raïes et al. (2015, p. 2637)	Customer engagement in communities is the frequency and duration of participation in and the level of activities performed by members in the community.	Community engagement	Community	Activity: participation and level of activities	Multidimensional
Hall-Phillips et al. (2016, p. 485)	The degree to which a person participates in and relates to an organization, the organization's offerings, and activities through social media sites, which goes beyond service encounters and transactions.	Social media engagement	Organization's offerings and activities	Activity: degree of participation	Unidimensional
Hollebeek, Srivastava, and Chen (2016)	A customer's motivationally driven, volitional investment of focal operand resources (including cognitive, emotional, behavioral, and social knowledge and skills), and operand resources (e.g., equipment) into brand interactions in service systems	Service-dominant logic–informed customer engagement	Brand	Activity: volitional investment of operant resources	Multidimensional
Kim, Lloyd, and Cervellon (2016, p. 305)	A participant's emotionally motivating experience of interaction with a brand and with its advertising	Consumer engagement	Brand and advertising	Activity: motivation experience	Unidimensional
Kumar and Pansari (2016, p. 498)	The attitude, behavior, the level of connectedness (1) among customers, (2) between customers and employees, and (3) of customers and employees within a firm.	Engagement	Firm	Activity: active interactions	Multidimensional
Pansari and Kumar (2016, p. 2)	The mechanics of a customer's value addition to the firm, either through direct or/and indirect contribution	Customer engagement	Firm	Activity: value addition	Multidimensional
Beckers, van Doorn, and Verhoef (2017, p. 2)	Behaviors that go beyond customer transactions	Customer engagement	Firm	Activity: behaviors	Unidimensional
Harmeling, Moffett, Arnold, and Carlson (2017, p. 316)	Customer's voluntary resource contribution to a firm's marketing function, going beyond financial patronage	Customer engagement	Firm's marketing function	Activity: contribution to the firm's marketing functions	Unidimensional

For this research, following van Doorn et al. (2010), we define *customer engagement* toward a company as customers' behavioral manifestations toward that company, beyond purchase, resulting from motivational drivers. Engagement involves more than motivation, and it is characterized by customers' behaviors, which is what sets it apart from commitment or involvement. For example, commitment is a psychological force that pertains to the attachment between two parties, leading to a desire to maintain a relationship (Morgan & Hunt, 1994), such that it links the customer to the firm (Fullerton, 2005). Commitment represents a will to be in the relationship; engagement instead implies efforts to stay in the relationship (de Villiers, 2015). Customers likely engage with a firm only when their committed, trusting relationship is satisfying and features some emotional bonding (Pansari & Kumar, 2016). Furthermore, involvement is the person's level of interest and sense of the personal relevance of an object in terms of basic values, goals, and self-concepts (Zaichkowsky, 1985). Customer engagement goes beyond involvement, encompassing an active relationship with the brand (Mollen & Wilson, 2010).

Engagement in LPs

Most LP effect studies simply compare LP members with non-members and account solely for LP membership to evaluate program effectiveness. This binary membership measure cannot differentiate between engaged and unengaged members though, nor can it identify customers who join but never participate in the program. A few studies suggest more nuanced classifications, using various program-related behaviors. For example, Evanschitzky et al. (2012) cite customers' card usage as an indicator of program loyalty, and several studies focus on customer reward redemption behavior (Bridson et al., 2008; Dorotic, Bijmolt, & Verhoef, 2012). Steinhoff and Palmatier (2016) capture program participation according to whether a LP member receives rewards. What is missing is a comprehensive measure that can capture the level of consumers' engagement in LPs.

Previous engagement research suggests some measurement scales, but they are not directly applicable to LP engagement. For example, general conceptualizations of customer engagement or consumer brand engagement tend to address the active presence in a relationship (de Villiers, 2015; Hollebeek et al., 2014; Vivek et al., 2014), without investigating specific behaviors relevant to LPs. Because LPs aim to induce explicit responses though, measuring LP engagement requires more specific metrics than an overall notion of interaction with the company. Empirical studies also propose scales for (online or offline) brand community engagement (Algesheimer et al., 2005; Baldus et al., 2015) that emphasize participation activities, such as frequency of participation, duration of the connection to the community (Raïes et al., 2015), or information provided to an online community (Hall-Phillips et al., 2016). These metrics might be useful to measure LP engagement, but they do not capture responses induced by the company's LP. Still other scales include dimensions related to interactions with the brand or company (Dwivedi, 2015; Hollebeek et al., 2014; Kumar et al., 2010; Vivek et al., 2014). For example, in their multidimensional approach Kumar et al. (2010) seek to capture LP members' behaviors with four components: customer purchasing behavior, customer referral behavior, customer influencer behavior, and customer knowledge behavior. But such behaviors are not specifically induced by LPs and thus cannot serve to evaluate members' engagement in LPs. In their consumer brand engagement scale, Hollebeek et al. (2014) instead propose three factors: cognitive processing, affection, and activation. Such behaviors may be components of LP engagement, but they are not directly applicable or sufficient for measuring responses induced by LP incentives and tactics.

We thus propose an alternative approach to understanding how LPs work, through engagement, which can lead to customer engagement with the company. In line with the previously cited definition of customer engagement, we define *customer LP engagement* as customers' behavioral manifestations toward a company's LP, beyond purchase. Accordingly, LP engagement is characterized by a set of behaviors, generated by the company's LP. It is a driver of overall customer engagement toward the company, in that it establishes customers' presence in the relationship, built through the LP.

In turn, though proactive card usage and point redemption behaviors can be signals of LP engagement, we argue that it encompasses more than these straightforward actions, especially in modern LPs. When companies seek to build personalized bonds with program members, customer responses to these tactics involve more than card usage or point redemption behavior. Because engagement likely comprises context- and stakeholder-specific combinations of dimensions that emerge at different levels of intensity or complexity (Brodie et al., 2011), we propose that customer LP engagement consists of a combination of active behavioral responses, including not just proactive card usage or point redemption but also behaviors such as being more likely to read the company's emails and share information about the program with their friends. Some behaviors (e.g., card usage) are recurrent and achieved easily; others (e.g., share information about the program) are more demanding in terms of effort and occur less repeatedly. We therefore anticipate some form of hierarchy in the behaviors associated with LPs. To share information about the LP for example, members would need to collect it first. Accordingly, we present LP engagement as composed of a set of hierarchically ordered behavioral responses to LP tactics; we identify the different dimensions of LP engagement and examine how they vary in terms of effort. This approach helps address the lack of existing research on customer LP engagement and connects this research stream to the more widely studied concept of customer–company engagement.

Following the scale development procedures recommended by Churchill (1979) and DeVellis (2012), we propose and validate a multidimensional scale designed to measure customer engagement in LPs. Table 2 summarizes the procedure; we present the specific methodologies for each study subsequently.

Table 2
Scale development procedure

Scale Development	Study Design	Objective	Methodology	Results	Sample
Study 1: Development of initial item pool	Face-to-face, in-depth interviews	Generate initial item pool for each scale dimension	Thematic analysis	6 dimensions; 44 items	N = 22
Study 2: Scale purification and item refinement	Online survey	Test and refine the initial pool of items	Exploratory factor analysis	6 dimensions; 24 items	N = 383
Study 3: Scale validation	Online survey	Validate the dimensionality and factor loadings	Confirmatory factor analysis	6 dimensions; 20 items	N = 692
		Test of second-order construct	Second-order factor model		
		Test construct reliability and validity (convergent, discriminant, nomological, and incremental validity)	Evaluation of standardized item-to-factor loadings, Cronbach's alpha, and average variance extracted Linear regression	Positive link with LP satisfaction, LP loyalty, and company engagement	
		Explore scale hierarchy	Guttman scalogram and hierarchical scaling (Mokken analysis)		
Study 4: Cross-validation and predictive validity	Online survey	Cross-validate the scale with another sample	Confirmatory factor analysis and second-order factor model	6 dimensions; 20 items	N = 1767
		Predictive validity	Structural equation modeling	Positive link with company engagement	

Study 1: Understanding LP engagement and development of initial item pool

Methodology and sample

To apprehend the concept of LP engagement, its facets, and its links with other marketing constructs (e.g., company engagement), we first conducted a qualitative study. To discern customers' entire set of possible responses toward LPs, a qualitative method seems appropriate. Therefore, we developed a semi-structured interview guide and conducted in-depth interviews during June–December 2013. This open-ended, discovery-oriented method is well suited for eliciting respondents' beliefs (Rubin & Rubin, 2004). With our sample, formed by 22 informants with various profiles (4 industry experts and 18 consumers who are members of various LPs in different industries; see Appendix 1), we achieved information saturation. The interviews took place at the participants' residences, in a relaxed atmosphere, enabling the easy and free flow of information. Because LP engagement reflects behavioral manifestations resulting from the LP's incentives, we asked respondents to talk about their loyalty cards and their various related behaviors in response to LPs. Each interview lasted approximately one hour and was recorded and then transcribed. The 222 pages of transcript were scrutinized and coded using the ATLAS.ti qualitative data analysis software. That is, we started by analyzing the data line by line, to identify the range of possible codes, then open coded the transcripts to identify recurring patterns across data sets (Strauss & Corbin, 1998). We then developed codes to characterize the different behaviors. During the analysis, we moved back and forth between the data and existing literature on engagement and LPs. The interpretation of emerging findings was enriched by extant literature and experience.

Data analysis

The thematic analyses of the responses revealed LP engagement as a multidimensional construct; when respondents described their behaviors with LPs, they listed six major categories, which we summarize in Table 3. First, respondents mentioned proactive use of the card, such as thinking about and then actually using their card when they shop. Not forgetting to present their card thus represented a form of active presence in the relationship. Second, they devoted extra effort to redeeming points and getting rewards. After attaining a certain point threshold, the participants would exert effort to visit that particular store so that they could redeem their points and benefit from a reward. Third, some respondents changed their purchase behavior to receive loyalty points, such as buying more of a product or brand if they could gain more advantage from the LP by doing so. Fourth, respondents described sharing information about the program as an indication of engagement. This activity included spreading the word and talking about the program across different media and with different valences. Fifth, the respondents cited behaviors in response to LP communication stimuli; being active meant being receptive to such stimuli and processing their information, such as by opening an email or flyer linked to the program and taking time to read it. Sixth, respondents considered proactively searching for information about the program as an indication of being active. It meant keeping themselves updated about the LP (e.g., visiting a LP kiosk, website, or app).

However, not all activities were similarly associated with participants' perceptions of their engagement with the LP. Some participants indicated that using their LP card, even in a proactive way, was a fairly weak sign of engagement. However, searching for additional information or reading emails they receive were associated more with their LP engagement.

Table 3

LP behaviors

LP behaviors	Meaning	Representative Quote
Proactively using card	Proactively use card when purchasing	Charlotte (active with Esprit [clothes brand] LP): "Whenever I go to Esprit and I have to pay, I give the card."
		Maude: "I know that I have the loyalty card and get points, so each time [I go to the store], I take out my card automatically."
Redeeming points	Make an effort to redeem points	Sophie: "I pay attention to my points and get my gifts when I decide to participate to the program."
		Julie: "I had accumulated almost 4000 points so I decided to go to the store to receive my free fragrance."
Adapting purchase behavior	Be willing to buy more or other products to get more points	Aurélie (active with Colruyt [grocery retailer] LP): "If laundry products give me more advantages, of I course I make some stock."
		Annick: "During the special discount days, I buy more products in this store."
Sharing information	Talk about the LP to others (positively or negatively)	Manou: "My husband is very active; he will talk with his friend about the new promotion for wine he received in his mailbox. Of course they spread the word!"
		Louise: "I had a bad experience and I would not return to that store. I would just tell my opinion."
Being receptive to information	Be attentive to communications linked to the LP	Manou: "He [husband] is attentive to what comes in and that is also actively participating."
		Charlotte: "I open all the e-mails and read them all."
Searching for information	Proactively search for information about the LP	Sophie: "[Being active] is also to keep informed of what's happening." Isabelle: [Because I have the loyalty card] I like to look up when there are make-up sessions organized for their members."

The qualitative data also indicate that these six behaviors do not require the same level of effort from consumers, whether that effort is cognitive, emotional, or even physical. For example, some participants noted that not forgetting to use the LP card or showing the LP card to the cashier were easy (and thus frequent) behaviors, but visiting social networks to share their experience with the LP or searching for information on the store website to learn more about the LP or some particular promotion were more time-consuming and effortful (and thus performed less frequently). Accordingly, engagement behaviors may be ordered in terms of their required effort (and frequency). This ordering in turn implies a hierarchy, in which participants who undertook more effortful behaviors (e.g., sharing information about their experience) also tended to engage in less effortful behaviors (e.g., redeeming points). But the reverse was not true: Performing a less demanding behavior did not provide any clear prediction about whether the consumer would take on a more demanding task.

Having established this conceptualization, this research next seeks to propose a measure of LP engagement. In analyzing the transcripts from Study 1, we generated a pool of 44 items that participants used to describe the six behaviors that signal engagement with LPs. We submitted these items to a content validity assessment by three faculty members. These experts judged their comprehensiveness and assigned the items to the six dimensions. On the basis of their comments, we revised some items to reduce redundancy and avoid ambiguous wording or jargon (DeVellis, 2012). We then subjected them to purification in Study 2.

Study 2: Scale purification and item refinement

Methodology and sample

For Study 2, we conducted an online survey using the Qualtrics program and snowball sampling. To enhance representativeness, we sent the survey link to many seed respondents with heterogeneous characteristics. Among the 383 respondents who completed the survey, the average age was 36 years (range: 17–85 years), and 64% were men. In terms of their educational level, 25.3% finished high school, and 71% were holders of a higher education degree. As Mimouni-Chaabane and Volle (2010) suggest, we asked these respondents to choose an LP in which they were enrolled and that they liked very much. They spontaneously cited programs from various sectors: food (50.4%), clothing (18.5%), health and beauty care (10.4%), and others (e.g., DIY, sports; 20.7%). Their responses to the 44 items, pertaining to their active presence in the program they chose, used seven-point Likert scales that ranged from “totally disagree” to “totally agree.”

4.2. Data analysis

We ran an exploratory factor analysis (EFA) in SPSS Statistics 24. The factor analysis with Promax rotation helped address correlations among the dimensions. The analysis revealed six factors with eigenvalues greater than 1. An iterative process (Hair, Black, & Babin, 2010) led us to remove 20 items with low communalities (<.5), low factor loadings (<.5), or high cross-factor loadings (>.3). Before deleting items though, we considered our conceptual engagement framework and the results of Study 1. We carefully confirmed that deleting items would not exclude a potentially important theoretical dimension of LP engagement that was not represented in our factor structure. An EFA with the remaining 24 items resulted in a six-dimension solution, accounting for 66.9% of the total variance. Consistent with and extending our qualitative Study 1, the six dimensions each characterized a particular form of behavior. The factors (and the corresponding number of items and Cronbach's alpha values) were as follows: proactively using card (5 items, α = .825), redeeming points (3 items, α = .71), adapting purchase behavior (3 items, α = .81), sharing information (4 items, α = .83), being receptive to information (3 items, α = .75), and searching for information (6 items, α = .86). All items contributed strongly to their pertinent factor (factor loadings ranged from .61 to .92) and showed good communalities (>.54). Table 4 summarizes the EFA results.

Table 4
Results of the exploratory factor analysis

	Proactively using card	Redeeming points	Adapting purchase behavior	Sharing informati on	Being receptive to information	Searching for information
I present my loyalty card at the cashier when he/she asks for it (reverse)	**-.854**	.191	.007	.020	-.083	.076
I wait for the cashier to ask for my card before presenting it to him/her (reverse).	**-.755**	.051	.025	.037	-.178	.087
I present my loyalty card at the cashier, even when he/she doesn't ask for it.	**.748**	.077	.094	.092	-.208	.088
I forget to take out my loyalty card when I make my purchases in this store (reverse).	**-.746**	-.054	.047	.074	-.119	.027
I spontaneously think to take out my card when I'm paying for my purchases.*	**.707**	.146	.032	.073	-.118	.150
When I receive a reward to use with my next purchase, I make an effort to return to this store to benefit from it.	-.048	**.920**	-.067	.000	.054	-.179
I do what I need to do to redeem my loyalty points and receive the reward.	.057	**.661**	-.070	.017	.181	.056
When I reach a certain point threshold, I go specifically to this store to get my reward.	-.024	**.652**	.141	.026	-.085	.161
I am ready to buy other products than I have planned to get more advantages offered by the program.	-.011	.003	**.923**	.002	.036	-.087
I am ready to buy other brands than I have planned to get more advantages offered by the program.	.045	-.021	**.875**	.007	-.101	-.065
I am ready to buy more products to get more advantages offered by the program.	-.023	-.048	**.813**	-.045	.056	.108
When I am disappointed by the program, I talk about it with my close friends and relatives.	.078	-.005	-.050	**.866**	-.144	-.041
If I'm satisfied with the program, I recommend it to my close friends and relatives.	.005	.051	.000	**.859**	.119	-.137
Whatever the experience (positive or negative) with the loyalty program, I talk about it with my close friends and relatives.	-.025	-.067	-.026	**.794**	-.013	.154
I try to convince my close friends and relatives to become members of this program when there is an interesting offer.	-.108	.061	.071	**.688**	.080	.052
When I receive communication linked to the program (email,	-.080	-.013	.072	.000	**-.842**	.107

brochure, flyer…), I throw it straight in the bin (reverse).						
When I receive communication linked to the program (email, brochure, flyer…), I open it.	.027	.080	.051	-.012	**.828**	-.008
When I receive communication linked to the program (email, brochure, flyer…), I take some time to read it.	-.020	.048	.021	.017	**.710**	.229
I look for information about the loyalty program (on Internet or in the store).	-.050	-.071	-.026	-.015	-.106	**.922**
I closely follow the evolution of my loyalty points.*	.042	.188	-.122	-.116	-.172	**.868**
I keep up with news concerning this program.*	.000	-.052	.004	.067	.065	**.810**
In the store, I take the new magazines or leaflets with information about the program.*	.024	-.366	-.015	.064	.141	**.750**
I keep informed about the offers of this program.	-.023	.160	.110	-.074	.167	**.616**
When I receive an offer as a program member, I am curious and I look for more information.	-.009	.097	.028	.070	.058	**.613**
Cronbach's alpha	**0.825**	**0.710**	**0.811**	**0.827**	**0.750**	**0.864**

* Items that were discarded in subsequent scale development stages.

Study 3: Scale validation

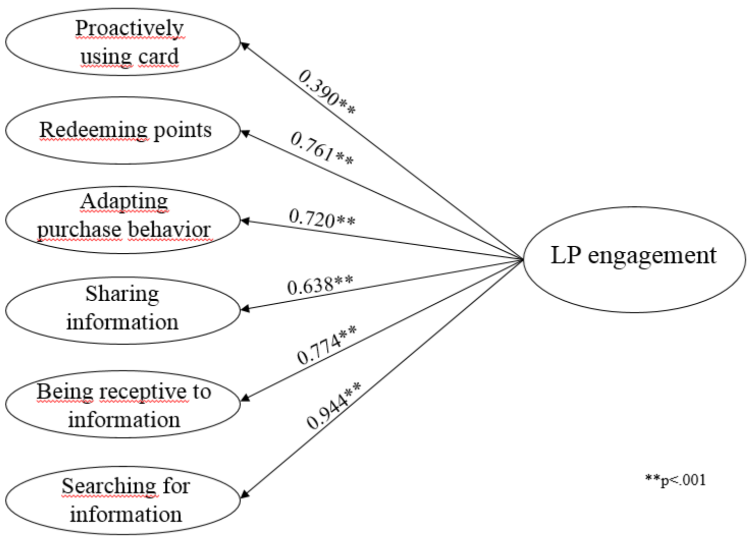
Methodology and sample

We collected a validation data set so that we could run a confirmatory factor analysis (CFA). The questionnaire included the 24 activity items, as well as items related to attitudinal loyalty to and satisfaction with the program, to test nomological validity. Customer satisfaction with the LP was operationalized with a four-item scale (Mimouni-Chaabane & Volle, 2010). Loyalty, which suggests a global, positive attitude toward LP benefits, was measured with a three-item scale (Yi & Jeon, 2003). (For the detailed scales and items, see Appendix 2.) Theoretically, satisfaction and attitudinal loyalty should lead to positive reactions (Liu & Tam, 2013); satisfied and attitudinally loyal LP members are more likely to be active in the program. In addition, according to the theory of reasoned action (Fishbein & Ajzen, 1975), positive attitudes lead to behaviors. Many studies thus measure attitudes toward LPs by LP satisfaction and LP loyalty. Because LP engagement comprises a set of behaviors related to LPs, it should be affected by LP satisfaction and LP loyalty. Previous research also suggests that satisfaction and loyalty relate to customer engagement (Bowden, 2009; van Doorn et al., 2010). Therefore, we expected LP engagement to correlate positively with LP satisfaction and LP loyalty. For these data, we again relied on an online survey with snowball sampling that generated 692 usable questionnaires. Respondents completed the questionnaire after being prompted to think about the last LP they used. They were between 17 and 85 years of age (mean = 40 years), and 63.6% were women; 14.6% had completed high school, and 74% held higher education degrees.

Data analysis

We tested the six-factor structure identified in Study 2 with Mplus 7 (Muthén & Muthén, 2013), using CFA and maximum likelihood estimation. Because some cross-loadings were too high, to increase model fit, we dropped 4 of the 24 items; these items also were somewhat redundant with the other items (see the note to Table 3). The fit indices all exceeded the recommended threshold levels, suggesting that this model adequately represented the input data ($\chi^2(209) = 636.999$, confirmatory fit index [CFI] = .946, Tucker-Lewis index [TLI] = .944, root mean square error of approximation [RMSEA] = .054, standardized root mean residual [SRMR] = .047) (Bagozzi & Yi, 1988). The second-order factor model in Figure 1 also revealed a six-dimensional structure of LP engagement and significant factor loadings for each behavioral manifestation. This second-order model reached satisfactory fit levels ($\chi^2(164) = 574.235$, p = .000, CFI = .936, TLI = .926, RMSEA = .06, SRMR = .067). The paths from the second-order factor of LP engagement to the first-order behaviors were strong and greater than .60 (cf. proactively using card).

Figure 1
Second-order CFA model of LP engagement



Reliability, convergent, and discriminant validity

We evaluated the standardized item-to-factor loadings, Cronbach's alpha, average variance extracted (AVE), and construct reliability, to check for reliability and convergent and discriminant validity. The standardized item-to-factor loadings ranged between .57 and .84, indicating good loadings (Hair et al., 2010). Each LP engagement behavior also met the desired Cronbach's alpha level of .70 (Hair et al., 2010), and Jöreskog's rhô's values between .77 and .86 (Jöreskog, 1993) provided evidence of reliability. As Table 5 shows, the AVE for each construct (main diagonal) was above .50, in support of convergent validity (Fornell & Larcker, 1981). Also in support of discriminant validity, the AVE for each construct exceeded the squared correlations between that construct and all other constructs in the measurement model (Fornell & Larcker, 1981).

Table 5
Reliability and convergent and discriminant validity (CFA)

			AVE (main diagonal) and squared correlations between subscales					
	Cronbach's alpha	Jöreskog's Rhô	Proactively using card	Redeeming points	Adapting purchase behavior	Sharing information	Being receptive to information	Searching for information
Proactively using card	.862	.862	**.614**					
Redeeming points	.783	.785	.141	**.549**				
Adapting purchase behavior	.762	.772	.029	.191	**.535**			
Sharing information	.838	.84	.007	.154	.153	**.569**		
Being receptive to information	.817	.82	.134	.225	.193	.073	**.605**	
Searching for information	.761	.762	.038	.279	.269	.300	.334	**.516**

Nomological validity

With regard to nomological validity, we examined how well LP attitudinal loyalty and LP satisfaction relate to the LP engagement activities. As Table 6 shows, the correlations between each of the six engagement behaviors and LP satisfaction and loyalty were positive, statistically significant, and moderate or high in magnitude (ranging from .26 and .53). The measures thus correlated in a manner predicted by theory, in support of nomological validity.

Table 6
Correlations between subscales and related constructs (nomological validity)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(1) Proactively using card	1								
(2) Redeeming points	.376**	1							
(3) Adapting purchase behavior	.169**	.437**	1						
(4) Sharing information	.084*	.393**	.391**	1					
(5) Processing information	.366**	.474**	.439**	.270**	1				
(6) Searching for information	.196**	.528**	.519**	.548**	.578**	1			
(7) LP loyalty	.260**	.444**	.429**	.535**	.401**	.509**	1		
(8) LP satisfaction	.348**	.451**	.357**	.356**	.428**	.448**	.742**	1	

*$p < .10$, **$p < .05$, ***$p < .01$, all two-tailed.

Hierarchical scaling analysis

The qualitative research in Study 1 suggested a hierarchy of LP engagement, such that the behaviors appeared ordered relative to one another, according to the extent of effort they required. According to these qualitative findings, customers who engage in more demanding LP engagement behaviors (e.g., sharing information about the program) also should execute less demanding behaviors (e.g., using the loyalty card). For empirical evidence of this ordered hierarchy, we used hierarchical scaling methods (Guttman, 1944; Mokken, 1971; Sijtsma, Debets, & Molenaar, 1990), which are relatively rare in marketing literature, despite Paas and Sijtsma's (2008) call for their use to complement EFA and CFA for scale development and testing. Still, we find hierarchical scaling approaches in several studies, including investigations of consumers' durable purchases (Brown, Buck, & Pyatt, 1965; McFall, 1969), media exposure (Landis, 1965), marketing decision support systems (Wierenga, Ophuis, Huizingh, & Van Campen, 1994), and service quality (Domegan, 1996; Paas & Sijtsma, 2008).

Specifically, the Guttman (1944) scalogram technique (Guttman, 1950) can identify, using an exploratory approach, potential hierarchies in response patterns for a particular set of items. As an illustration of the hierarchical nature of a scale, Guttman used the example of three questions that measured a person's calculus problem-solving capability (latent construct), ordered by increasing difficulty. Answering yes ("I am able to find the answer or the answer is right") to the simplest question does not necessarily imply a positive response to the second, slightly more difficult question. However, answering yes to the most difficult question implies positive responses to the less complex items. If these dependencies emerge, a hierarchy exists among the items. Although the method initially was developed for dichotomous responses (yes/no), the items can feature continuous or at least ordinal latent constructs.

To adapt the scalogram analysis, which requires dichotomous item responses, to our data, we dichotomized the composite scores of the six dimensions in our LP engagement scale, similar to the tactic used in previous research (e.g., Domegan, 1996; Wierenga et al., 1994). Each dimension of the LP engagement scale takes a unit value if its composite score is strictly greater than 4 (midpoint) on the seven-point scale but 0 otherwise. Because the agreement response scale includes items that describe performed behaviors, this midpoint roughly corresponds to that of a well-balanced intensity scale (from low to high). Considering responses strictly above the midpoint as positive imposes a fairly high standard for the minimum point at which the respondent may be considered to have performed the behavior.[1]

Table 7 reveals the observed response patterns, for which the scores reflect the sum of values equal to 1 across all six dimensions of the LP engagement scale. Thus, a score of 6 means that participants' composite score on each of the dimensions indicated that they responded positively (i.e., >4 on the seven-point scale), signaling that they engage in all six LP engagement behaviors (88 of the 692 respondents exhibited this response pattern). A score of 0 means a negative or neutral (i.e., ≤4) composite score on each of the dimensions; 28 interviewees indicated this response pattern. Finally, the last row of Table 7 shows the number of response patterns for which a positive (i.e., >4) composite score refers to a particular behavior. The rows are ranked in descending order of scores, and the columns feature an ascending order of the number of positive patterns. Rows that reflect a particular response pattern (i.e., same score) are ranked in ascending order of the values for each dimension, starting with the dimension on the left. The hierarchy thus emerges clearly from Table 7: When a (more effortful) dimension on the left has a positive value, (less effortful) dimensions on its right likely have positive values too.

[1] An anonymous reviewer suggested a different technique for the dichotomization that excluded any respondents for whom the composite score on any of the six dimensions was equal to 4. The hierarchy that emerged from the Guttman scalogram remained the same. This further analysis is available on request.

Table 7
Guttman scalogram of LP engagement behaviors

Score	Searching for information	Sharing information	Adapting purchase behavior	Redeeming points	Being receptive to information	Proactively using card	Number of respondents
6	1	1	1	1	1	1	88
5	0	1	1	1	1	1	25
5	1	**0**	1	1	1	1	38
5	1	1	**0**	1	1	1	38
5	1	1	1	**0**	1	1	6
5	1	1	1	1	**0**	1	7
5	1	1	1	1	1	**0**	10
4	0	0	1	1	1	1	50
4	0	**1**	1	1	1	**0**	3
4	0	**1**	1	1	**0**	1	7
4	0	**1**	1	**0**	1	1	3
4	0	**1**	**0**	1	1	1	29
4	**1**	0	1	1	1	**0**	4
4	**1**	0	1	1	**0**	1	2
4	**1**	0	1	**0**	1	1	8
4	**1**	0	**0**	1	1	1	21
4	**1**	**1**	1	1	**0**	**0**	1
4	**1**	**1**	1	**0**	1	**0**	3
4	**1**	**1**	**0**	1	1	**0**	2
4	**1**	**1**	**0**	**0**	1	1	3
4	**1**	**1**	**0**	1	**0**	1	3
3	0	0	0	1	1	1	55
3	0	0	**1**	**0**	1	1	16
3	0	**1**	0	**0**	1	1	15
3	**1**	0	0	**0**	1	1	7
3	0	0	**1**	1	**0**	1	5
3	0	**1**	0	1	**0**	1	9
3	0	**1**	**1**	**0**	**0**	1	2
3	**1**	**1**	0	**0**	**0**	1	1
3	0	0	**1**	1	1	**0**	1
3	0	**1**	0	1	1	**0**	1
3	0	**1**	**1**	**0**	1	**0**	2
3	**1**	0	0	1	1	**0**	2
3	**1**	0	0	1	1	**0**	2
3	0	**1**	**1**	1	**0**	**0**	2
2	0	0	0	0	1	1	38
2	0	0	0	**1**	**0**	1	4
2	0	0	**1**	0	**0**	1	3
2	0	0	0	**1**	**0**	1	4
2	0	**1**	0	0	**0**	1	2
2	**1**	0	0	0	**0**	1	2
2	0	**1**	0	0	**0**	1	4
2	0	0	**1**	0	**0**	1	6
2	0	0	0	**1**	**0**	1	25
2	**1**	0	0	0	1	**0**	2
2	0	0	**1**	0	1	**0**	5
2	0	0	0	**1**	1	**0**	5
2	0	**1**	0	0	1	**0**	2
2	**1**	0	0	**1**	**0**	**0**	1
2	0	**1**	**1**	0	**0**	**0**	2
2	0	0	**1**	**1**	**0**	**0**	1
1	0	0	0	0	0	1	61
1	0	**1**	0	0	0	**0**	7
1	0	0	**1**	0	0	**0**	3
1	0	0	0	**1**	0	**0**	7
1	0	0	0	0	**1**	**0**	9
0	0	0	0	0	0	**0**	28
Number of Patterns	22	27	27	31	31	33	692

The hierarchical order of LP engagement behaviors (from least to most effortful) thus is: proactively using card, being receptive to information, redeeming points, adapting purchase behavior, sharing information, and searching for information. The reproducibility coefficient of this pattern—which refers to the overall proportion of responses that can be reproduced correctly—is .94, greater than the recommended .9 level (Guttman, 1950). However, even with these encouraging results, a perfect scalogram is unlikely (Paas & Sijtsma, 2008). An LP member who shares information about the program cannot deterministically be considered a proactive card user every time. Instead, the hierarchy reflects a probabilistic perspective: There is a strong chance that a customer who shares information about the program also uses the loyalty card.

Mokken (1971) and Mokken, Lewis, and Sijtsma (1986) also extend Guttman's method, using traditional item response theory,[2] such that they offer a nonparametric, probabilistic version and a means to test the statistical significance of the observed results. Two versions of the method are available, one for dichotomous item responses (as in the original Guttman method) and one for polychotomous responses (Sijtsma et al., 1990) that uses mean response scores. Wierenga et al. (1994) recommend the dichotomous version when the number of items differs across dimensions. We rely on this version, because the number of items per dimension in our scale varies from three to four, but we also applied the polychotomous version to confirm our results.

Specifically, the Mokken scaling analysis evaluates item-scalability coefficients (H_j) and the total-scale scalability coefficient (H). Scalability is the extent to which items in a scale can be

[2] The statistical models and assumptions that constitute item response theory seek to explain the relationships among a set of items from latent constructs, the relationships between the items and the latent constructs they are supposed to measure, and the number of latent constructs that the items manifest (Paas & Sijtsma, 2008). Parametric models impose a parametric item response function (i.e., assumed relationship between items and constructs); nonparametric models only impose order restrictions on the item response function. Paas and Sijtsma (2008) recommend nonparametric models, as more flexible and appropriate for exploratory scaling.

hierarchically ordered. According to Paas and Sijtsma (2008, p. 160), H_j expresses “the strength of the relationship of item j with the latent trait as estimated by the other J−1 items in the test, correcting for the artifactual effects of the J different item-score distributions on inter-item covariances.” That is, it reflects the complement of the proportion of ordering errors expressed in the Guttman scalogram (Table 7); for pairs of items, it indicates the proportion of cases for which effortful behaviors are performed but effortless ones are not. A relatively high H_j would mean that the item belongs to the hierarchical scale (i.e., is an ordered manifestation of the latent construct). The total-scale scalability coefficient (H) then is the weighted mean of these item coefficients. Both H and H_j values are between 0 and 1, and Sijtsma and Molenaar (2002) outline some generally accepted values for H: $H < .3$ means the items are unscalable; $.3 \leq H < .4$ indicates a weak scale; $.4 \leq H < .5$ is a medium scale; and $.5 \leq H \leq 1$ is a strong scale. We found acceptable H values (>.3) for five of the six dimensions, across both the dichotomous and polychotomous versions of the Mokken analysis (Table 8). The exception that fails to achieve acceptable values is proactive card usage, which cannot be considered part of the scale hierarchy ($H_j = \{.257, .278\}$). Proactively using a card is the least demanding and most frequent behavior (M = 5.6), but it does not measure the order of LP engagement. The other behaviors were ordered in accordance with the degree of effort required (from low to high): being receptive to information, redeeming points, adapting shopping, sharing information, and searching for information. Thus, an LP member who proactively searches for information about the LP should be more likely to share information about the LP, adapt purchase behavior to benefit from LP offers, actively redeem points, obtain rewards, and be receptive to LP informational stimuli. Because the Mokken scaling method reveals an ordered hierarchy in the LP engagement behaviors ($H_j > 0$, $p < .000$; $H_j > .3$; cf. proactively using the card), the unidimensional hierarchical ordering of LP engagement behaviors achieves medium quality, according to the established standard (Sijtsma & Molenaar, 2002).

Table 8
Mokken scaling results

LP engagement behavior	Composite score mean	Item-scalability coefficient (H_j) - dichotomous version	Item-scalability coefficient (H_j) - polychotomous version
Proactively using card	5.6	.278 (.057)	.257 (.030)
Being receptive to information	4.7	.474 (.033)	.437 (.024)
Redeeming points	4.6	.454 (.030)	.452 (.023)
Adapting purchase behavior	3.8	.368 (.031)	.400 (.024)
Sharing information	3.7	.349 (.032)	.335 (.026)
Searching for information	3.6	.480 (.029)	.495 (.021)
Total-scale scalability coefficient H		.408 (.024)	.398 (.020)

Notes: Standard errors are in parentheses.

Incremental validity

We next examine the incremental validity of LP engagement, which pertains to "the extent to which a measure explains criterion variance above and beyond other measures" (Kinicki, Jacobson, Peterson, & Prussia, 2013, p. 20). That is, we seek to determine if LP engagement can predict company engagement, beyond other traditionally used engagement scales. In particular, we measured company engagement with a five-item scale, adapted from Vivek et al. (2014) (see Appendix 2). In linear regression analyses, we first regressed proactive card usage and point redemption on company engagement. Then we added the other LP engagement behaviors to the regression. The six LP engagement behaviors explained 17.3% more variance in company engagement, compared with just card usage and point redemption ($\Delta F(4, 685) = 39.536$, $p < .001$). We also checked if our scale explained company engagement better than LP satisfaction and LP loyalty, which frequently serve as measures to study the effectiveness of LPs. We regressed LP loyalty and satisfaction on company engagement, then added the six LP engagement behaviors. The LP engagement behaviors explained 6.3% more variance ($\Delta F(6, 684) = 10.541$; $p < .001$).

Study 4: Cross-validation and predictive validity

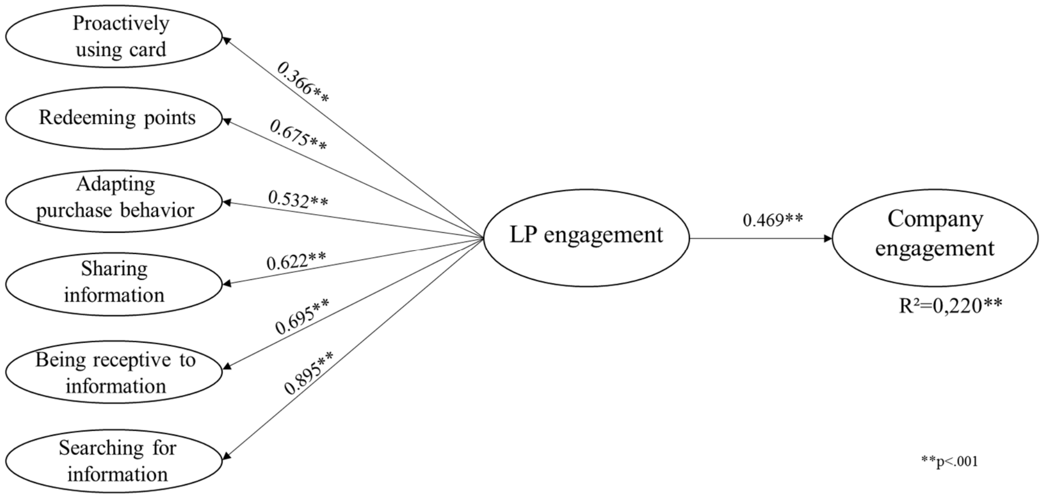
Methodology and sample

Study 4 provides a test of the scale on a different sample, which also assesses its predictive validity by determining how LP engagement predicts company engagement. An online survey, using snowball sampling, was sent to diverse respondents, who were asked to answer the questionnaire in relation to the last LP they used in a (randomly assigned) specific sector: grocery, clothing, health and beauty care, or do-it-yourself. The data collection effort resulted in a usable sample of 1787 respondents, of whom 71.9 % were women, with a mean age of 40.6 years, and 80% held a higher education degree.

Data analysis

To assess predictive validity, we investigated the proposed relationships using structural equation modeling. The second-order measurement model with the six dimensions of LP engagement offered excellent fit indices ($\chi^2(164) = 1131$, CFI = .934, TLI = .923, RMSEA = .058, SRMR = .067), which established cross-validation for LP engagement as a second-order construct. The structural model to test the influence of the second-order construct of LP engagement on company engagement also showed satisfactory fit indices ($\chi^2(223) = 1329{,}170$, CFI = .940, TLI = .932, RMSEA = .053, SRMR = .066). As expected, the influence of the second-order LP engagement factor on company engagement was positive (standardized path coefficient $\beta = .469$; $p < .01$); specifically, LP engagement explained 22% of the variance of company engagement (see Figure 2).

Figure 2
Predictive validity (Study 4)



Discussion and conclusion

Increasing customer engagement through LPs is an important objective for marketers. But despite increasing enrollments, customer engagement in LPs is not sufficient. Customers may be more willing to join a program, but they are participating in fewer of them. When customers do not participate in the programs in which they enroll, companies cannot engage customers through their LPs. Previous engagement research has tended to concentrate more globally on a customer's presence in the relationship with a company. But to increase company engagement through LPs, it is necessary to understand customers' behavioral manifestations in relation to this more specific, latent concept. Therefore, this research responds to the need for a better understanding of customers' engagement in LPs by formally defining LP engagement and developing a valid scale to measure it. In line with previous research, we propose that engagement comprises several activities, such as advocating (Brodie et al., 2013), learning (Hollebeek et al., 2016), or purchasing (Kumar et al., 2010). We advance such views by conceptualizing engagement as a set of six behavioral responses to the LP's incentives: (1) proactively using the loyalty card, (2) actively engaging in point redemption activities, (3) adapting purchase behaviors to benefit from LP offers, (4) sharing information about the LP,

(5) being receptive to information about the LP, and (6) proactively searching for information about the LP.

Our rigorously developed LP engagement scale thus improves on previous measurement instruments that cannot appraise engagement with LPs accurately. In line with previous research on company engagement (Brodie et al., 2011), we conceptualize LP engagement as composed of a multitude of behaviors, reflecting the broad set of responses that LPs induce among consumers. Furthermore, this study addresses the hierarchy that arises, due to the varying levels of effort required by the different dimensions (cf. Bridson et al., 2008). The scale shows that the LP engagement dimensions are ordered hierarchically, according to the degree of effort needed to perform the underlying behaviors (and thus the frequency of such behaviors), as follows: proactively using card, being receptive to information, redeeming points, adapting purchase behavior, sharing information, and searching for information. Thus searching for information is the most demanding manifestation of engagement but also the least frequent; point redemption is a more widespread behavior that also is less demanding.

The proposed reliable, valid measurement instrument captures responses induced by the company's LP and thus provides a tool for assessing the effectiveness of LPs. By measuring the entire set of customer responses to LPs, appraisals of the effectiveness of LPs should improve. The limited consideration of only certain facets of LP engagement in prior research even might explain the mixed evidence surrounding LP effectiveness. Rather, this study affirms the need to take multiple dimensions of LP engagement into account to evaluate customers' engagement. In particular, contrary to research and real-world practices that only consider card usage (Liu, 2007; Meyer-Waarden, 2013; Vesel & Zabkar, 2009; Yi & Jeon, 2003), point redemption behavior (Bagchi & Xingbo, 2011), or email reading (Raïes et al., 2015), our study shows that these measures in isolation are insufficient to signal customer engagement. For example, card users might be behaviorally active out of habit, but just using their card does not mean they are engaged. These traditional measures of LP engagement thus need to be considered in combination with more intense, effortful behaviors to assess customer engagement toward a company.

Managerial implications

Companies undertake significant efforts to increase customer engagement. But many LP members never receive personalized contacts after signing up, do not know how the programs work, and have no idea of their benefits (ACI, 2011). Companies thus appear to be focused on enrollment, rather than engagement, such that they fail to build real relationships with customers. Our proposed conceptualization and operationalization of LP engagement can help managers appraise the effectiveness of their LPs from a customer engagement perspective; the findings strongly suggest that they must pay more attention to customers' engagement in their LPs. In many cases, an LP is the only personalized, recorded interaction a company will have with its customers. With loyalty cards, companies even can transform cold customer data into warm relationships. But the most commonly used, widely available, and directly observable data they have tend to relate to card usage, point redemption, and information receptivity (e.g., opening emails). In turn, companies often consider members engaged if they use their card or redeem their points (Berry, 2015). But this assumption is misguided, because proactive card usage and point redemption do not predict engagement in the company relationship well. With the proposed LP engagement scale, practitioners can monitor a wider span of customer responses to LPs and act accordingly, to adapt their LPs and improve engagement. Fostering some particular LP engagement behaviors could engage customers more closely in the relationship, which in turn should enhance customers' engagement with the firm and produce enhanced profitability.

Limitations and research directions

Several limitations might be addressed with further research. First, before generalizing the validity of the scale, further research should consider a wider variety of LPs. As noted, the respondents in these studies chose a relatively limited number of LPs. Second, we studied LP engagement at a single point in time, but engagement is an iterative process. Temporally dispersed interactions with the engagement object may cause engagement to shift, across interactions and over time (Brodie et al., 2011). Additional research thus should take a longitudinal approach to determine how LP engagement behaviors might change during specific interactive experiences. Third, this study offers an overview of the effect of LP engagement behaviors on company engagement. A deeper analysis of the framework could include potential moderating variables (e.g., LP design, customer-specific characteristics) and other company outcomes (e.g., purchase intentions, loyalty). Various forms of LP engagement likely arise uniquely across different industries, degrees of product involvement, company attachment levels, and personal characteristics (e.g., customer relationship orientation, shopping orientation, privacy concerns). Researchers also could investigate the effect of the six different behaviors on multiple company outcomes. Fourth, further research might consider antecedents of LP engagement (e.g., LP design, reward schemes, perceived benefits), to provide managers with more concrete recommendations about how to increase participation in LPs through the design of the program. Fifth, previous research implies that some forces might hinder customers' relationship efforts toward companies (Noble & Phillips, 2004), so continued research could investigate further forces that hinder or motivate customers to engage with companies through their LP. Ultimately though, we hope the proposed LP engagement conceptualization and scale motivate new research on LP effectiveness, to provide helpful new insights into customers' responses to LPs.

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Appendix 1
Study 1 (qualitative) respondents' profiles

Participants	Gender	Age Category	Education	Occupation	Shopping Orientation	Active LPs	Inactive LPs
Annick	Female	25-34	High school	Optician	Apathetic	Paris XL, Inno	None
Brieuc	Male	19-24	University	Industrial engineer	Apathetic	Planet Parfum	None
Corine	Female	45-54	University	Teacher	Apathetic	Di, small store	Planet Parfum
Isabelle	Female	45-54	Higher education (non university)	Nurse	Econ	Planet Parfum, Paris XL	Body Shop, Yves Rocher
Jeoffrey	Male	25-34	Higher education (non university)	Policemen	Apathetic	None	Planet Parfum
Julie	Female	19-24	High school	Salesperson	Personalizing	Yves Rocher, Di	Planet Parfum, Inno
Louise	Female	16-18	High school	Student	Personalizing	Di	Paris XL
Marguerite	Female	75+	High school	Retired	Personalizing	None	Planet Parfum, Inno, Paris XL
Maude	Female	19-24	University	Unemployed	Personalizing	None	Planet Parfum
Nadine	Female	55-64	Higher education (non university)	Retired	Personalizing	Paris XL	None
Nathalie	Female	35-44	Technical	Salesperson	Econ	Paris XL, Di, Yves Rocher	None
Sophie	Female	35-44	Higher education (non university)	Secretary	Personalizing	Planet Parfum, Di	Yves Rocher
Stéphane	Male	45-54	Technical	Owner of clothing shop	Personalizing	Small store	None
Vinciane	Female	35-44	Higher education (non university)	Teacher	Apathetic	None	Di, Paris XL, Inno
Charlotte	Female	22	University	Student	Economic and enjoyment	Esprit, Delhaize	Promod
Aurélie	Female	32	University	Teacher	Economic & apathetic	Colruyt & Esprit	Ikea, Promod, Inno
Manou	Female	47	University	Product manager	Apathetic & personalizing	Delhaize, pharmacy & Fnac	Torfs & Veritas
Sophie	Female	41	University	Unemployed	Personalizing	Delhaize & Cyrillus	Brico & Colruyt

Appendix 2

Study 3, scales for nomological validity test

LP loyalty (Yi & Jeon, 2003)

- I would recommend this program to others.
- I have a strong preference for this program.
- I like this program more so than other programs.

LP satisfaction (Mimouni-Chaabane & Volle, 2010)

- I made a good choice when I decided to participate in this program.
- My overall evaluation of this program is good.
- The advantages I receive, being a member of this program, meet my expectations.
- All in all, I'm satisfied with this program.

Company engagement (adapted from Vivek et al., 2014)

- I like to know more about this company.
- I pay a lot of attention to anything related about this company.
- I keep up with things related to this company.
- I spend a lot of my discretionary time with this company.
- I am passionate about this company.

Appendix 3 : questionnaire for study 2

Q1 Bonjour, Nous nous appelons Florence Bailleux et Sasha Van Heuverswyn et sommes étudiantes à l'Université Catholique de Louvain-la-Neuve. Dans le cadre d'une recherche scientifique menée par des chercheurs de l'Université Catholique de Louvain-la-Neuve et de l'Université de Namur, nous réalisons une enquête afin de développer une mesure concernant votre participation à un programme de fidélité. Nous nous permettons de vous contacter afin de nous aider à réaliser cette étude. Votre participation est primordiale pour nous. L'enquête prend environ 10 minutes. Il n'y a ni bonne, ni mauvaise réponse, seule votre opinion nous intéresse. Ces informations seront traitées de manière totalement anonyme. Merci d'avance pour votre collaboration. Pour de plus amples informations, n'hésitez pas à nous contacter: florence.bailleux@student.uclouvain.be & sasha.vanheuverswyn@student.uclouvain.be.

Q2 Pour commencer ce questionnaire, nous vous demandons de penser à un programme de fidélité d'un magasin que vous fréquentez (peu importe le secteur), pour lequel vous êtes membre, pour lequel vous recevez des points de fidélité, que vous aimez bien et par lequel l'entreprise vous a déjà au moins une fois contacté(e) en dehors du point de vente (par exemple; par email, par courrier, via des dépliants liés au programme,…). A quel programme pensez-vous ? (nom du programme)

Q2 Nom du magasin/enseigne proposant ce programme :

Q3 Pour ce programme, disposez-vous d'une carte de fidélité?

- Oui (1)
- Non (2)

Q4 Pouvez-vous indiquer à quelle fréquence vous recevez les informations suivantes de la part de l'entreprise en rapport avec le programme ?

	Tous les jours (1)	2 à 3 fois par semaine (2)	1 fois par semaine (3)	2 à 3 fois par mois (4)	1 fois par mois (5)	1 fois tous les 2/3 mois (6)	2 fois par an (7)	1 fois par an (8)	Jamais (9)
E-mails (1)									
Dépliants type folder promotionnel (2)									
Brochures d'information sur le programme (3)									

Q5 Diriez-vous que vous connaissez bien le fonctionnement de ce programme et les récompenses qui y sont liées ?

- Pas du tout d'accord (1)
- Pas d'accord (2)
- Plutôt pas d'accord (3)
- Ni en accord ni en désaccord (4)
- Plutôt d'accord (5)
- D'accord (6)
- Tout à fait d'accord (7)

Q6 Dans quelle mesure êtes-vous d'accord avec l'affirmation suivante: en ce moment, j'ai l'impression de m'activer pour collecter des points afin atteindre le niveau de points qui me permettra d'obtenir ma récompense.

- Pas du tout d'accord (1)
- Pas d'accord (2)
- Plutôt pas d'accord (3)
- Ni en accord ni en désaccord (4)
- Plutôt d'accord (5)
- D'accord (6)
- Tout à fait d'accord (7)

Q7 En ce moment, combien de temps vous faut-il encore avant de pouvoir atteindre le prochain seuil et échanger vos points contre une récompense ? (en nombre de visites en magasin)

- 1 visite (1)
- Entre 3 et 5 visites (2)
- Entre 5 et 10 visites (3)
- Plus de 10 visites (4)
- Je ne sais pas (5)

Q8 Cela correspond à combien de temps? (en semaines)

- Moins d'1 semaine (1)
- Entre 1 et 2 semaines (2)
- Entre 3 et 5 semaines (3)
- Plus de 5 semaines (4)
- Je ne sais pas (5)

Q9 Voici ci-dessous une série d'affirmations décrivant votre participation au programme de fidélité que vous avez mentionné. Pour chacune de ces affirmations, veuillez indiquer dans quelle mesure vous êtes d'accord avec celles-ci ?

Pas du tout d'accord (1)	Pas d'accord (2)	Plutôt pas d'accord (3)	Ni en accord ni en désaccord (4)	Plutôt d'accord (5)	D'accord (6)	Tout à fait d'accord (7)

Avant de me rendre dans cette enseigne, je vérifie bien que j'ai ma carte de fidélité avec moi. (1)
Si je me rends compte que j'ai oublié ma carte de fidélité, je remets à plus tard ma visite à l'enseigne. (2)
Lorsque j'effectue des achats dans cette enseigne et que je n'ai pas ma carte de fidélité, cela me contrarie. (3)
J'ai toujours ma carte de fidélité avec moi. (4)
Je présente ma carte de fidélité à la caisse, même lorsque la caissière/le caissier ne me la demande pas. (5)
J'oublie de sortir ma carte de fidélité lorsque j'effectue des achats dans cette enseigne. (6)
Je pense spontanément à sortir ma carte de fidélité lors de mon passage à la caisse. (7)
Je présente ma carte de fidélité à la caisse uniquement lorsque la caissière/le caissier me la demande. (8)
Lorsque la caissière/le caissier me propose d'utiliser ma carte de fidélité, ça m'embête de la sortir de mon sac ou portefeuille. (9)
J'attends que la caissière/le caissier me demande ma carte de fidélité pour lui présenter. (10)
Je suis de près l'évolution de mes points « fidélité ». (11)
Lorsque j'ai oublié ma carte de fidélité, je fais attention à bien garder mes tickets pour recevoir mes points lors de ma prochaine visite dans cette enseigne. (12)
Lorsque j'ai oublié ma carte de fidélité, je fais tout ce que je peux pour que mes points soient ajoutés à ma carte. (13)
Lorsque j'ai oublié ma carte de fidélité, je trouve que ce n'est pas grave. (14)
Lorsque j'ai oublié ma carte de fidélité, je ne fais rien de spécial pour récupérer mes points. (15)
Je fais le nécessaire pour échanger mes points et recevoir la récompense. (16)
Lorsque j'atteins le seuil nécessaire, je m'assure de bien recevoir la récompense. (17)
Lorsque je reçois une récompense à utiliser sur mon prochain achat, je fais un effort pour retourner dans cette enseigne afin d'en bénéficier. (18)
Lorsque j'ai atteint un certain seuil de points, je me rends spécifiquement dans cette enseigne pour recevoir ma récompense (19)
Je me rends spécifiquement dans cette enseigne lorsqu'il propose une offre intéressante aux membres du programme. (20)

Je choisis cette enseigne plutôt qu'une autre pour bénéficier des avantages offerts par le programme. (21)
Lorsque je reçois un avantage particulier grâce au programme, je me rends dans cette enseigne plutôt que dans une autre. (22)
Si le programme propose une offre temporaire, je planifie mes courses au moment où je peux bénéficier des avantages offerts. (23)
Je vais m'arranger pour acheter en fonction de la période de validité des offres proposées par le programme. (24)
J'organise mon agenda en fonction des offres proposées par le programme. (25)
Je suis prêt(e) à acheter plus de produits pour bénéficier d'avantages supplémentaires offerts par le programme. (26)
Je suis prêt(e) à acheter d'autres produits que ce que j'avais initialement planifiés pour bénéficier d'avantages supplémentaires offerts par le programme. (27)
Je suis prêt(e) à acheter une autre marque pour bénéficier d'avantages supplémentaires offerts par le programme. (28)
Quel que soit mon expérience (positive ou négative) avec le programme de fidélité, je vais parler de mon expérience vécue avec mon entourage. (29)
Lorsque je suis déçu(e) par le programme, j'en parle à mon entourage. (30)
Si je suis satisfait(e) du programme, je recommande ce programme à mon entourage. (31)
Je vais essayer de convaincre mon entourage d'adhérer à ce programme lorsqu'il y a une offre intéressante. (32)
Lorsque je reçois une communication liée au programme (un e-mail, une brochure, un flyer, etc.), je l'ouvre. (33)
Lorsque je reçois une communication liée au programme (un e-mail, une brochure, un flyer, etc.), je la jette directement à la poubelle. (34)
Lorsque je reçois une communication liée au programme (un e-mail, une brochure, un flyer, etc.), je passe du temps à la lire. (35)
Je suis attentif/ve à toutes les informations que je reçois concernant le programme. (36)
Je m'intéresse aux informations que je reçois en rapport avec le programme. (37)
Lorsque je reçois une offre comme membre du programme, je suis curieux/se et je vais rechercher plus d'informations. (38)
De manière générale, je pense être réactif/ve aux offres et propositions que fait le magasin aux membres du programme. (39)
Lorsque je reçois une offre en lien avec le programme (par courrier ou par email), je me rends dans le magasin afin d'en profiter. (40)
Je recherche des informations sur le programme de fidélité (sur internet ou dans le magasin). (41)
Dans le magasin, j'emporte les nouveaux magazines ou dépliants contenant des informations sur le programme. (42)
Je me tiens au courant des offres que propose ce programme. (43)
Je suis de près l'actualité concernant ce programme. (44)

Q25 Vous avez dépassé la moitié du questionnaire, encore un peu de courage ! :)

Q27 Voici ci-dessous une série d'affirmations décrivant vos attitudes et vos comportements envers le programme de fidélité que vous avez mentionné. Pour chacune de ces affirmations, veuillez indiquer dans quelle mesure vous êtes d'accord avec celle-ci ?

Pas du tout d'accord (1)	Pas d'accord (2)	Plutôt pas d'accord (3)	Ni en accord ni en désaccord (4)	Plutôt d'accord (5)	D'accord (6)	Tout à fait d'accord (7)

J'ai fait un bon choix quand j'ai décidé de participer au programme. (1)
Mon évaluation globale de ce programme est bonne. (2)
Les avantages que j'ai reçus ainsi qu'être un membre de ce programme rencontrent mes attentes. (3)

Tout bien considéré, je suis satisfait de ce programme de fidélité. (4)
Je recommanderais ce programme à d'autres personnes. (5)
J'ai une forte préférence pour ce programme. (6)
Je préfère ce programme à d'autres programmes. (7)

Q30 Complétez: Participer à ce programme de fidélité me rend...

Pas du tout d'accord (1)	Pas d'accord (2)	Plutôt pas d'accord (3)	Ni en accord ni en désaccord (4)	Plutôt d'accord (5)	D'accord (6)	Tout à fait d'accord (7)

heureux(se). (1)
joyeux(se). (2)
content(e). (3)
stimulé(e). (4)
enthousiaste. (5)
transporté(e). (6)

Q25 Voici ci-dessous une série d'affirmations décrivant vos attitudes et vos comportements envers l'enseigne qui propose le programme de fidélité (que vous avez mentionné plus haut). Pour chacune de ces affirmations, veuillez indiquer dans quelle mesure vous êtes d'accord avec celle-ci ?

Pas du tout d'accord (1)	Pas d'accord (2)	Plutôt pas d'accord (3)	Ni en accord ni en désaccord (4)	Plutôt d'accord (5)	D'accord (6)	Tout à fait d'accord (7)

Même si cette enseigne était plus difficile à atteindre, je continuerais à acheter chez eux. (1)
Je me sens engagé(e) envers cette enseigne. (2)
Je suis prêt(e) à faire davantage de kilomètres afin de rester client(e) de cette enseigne. (3)
J'ai beaucoup d'affection pour cette enseigne. (4)
L'achat au sein de cette enseigne me procure beaucoup de joie, beaucoup de bonheur. (5)
J'éprouve un certain réconfort à effectuer mes achats au sein de cette enseigne. (6)
Je suis très lié(e) à cette enseigne. (7)
Je suis très attaché(e) à cette enseigne. (8)

Q29 Complétez: Concernant l'enseigne choisie, je suis susceptible de ...

Pas du tout d'accord (1)	Pas d'accord (2)	Plutôt pas d'accord (3)	Ni en accord ni en désaccord (4)	Plutôt d'accord (5)	D'accord (6)	Tout à fait d'accord (7)

m'ajouter au listing d'e-mails de l'enseigne afin de recevoir des annonces, bons de réductions, etc. (1)
obtenir une nouvelle carte de fidélité de l'enseigne. (2)
renvoyer à l'enseigne un bon reçu afin de bénéficier des avantages. (3)
m'ajouter au listing d'adresses postales de l'enseigne afin de recevoir des annonces, bons de réductions, etc. (4)
obtenir une carte de crédit de l'enseigne. (5)

Q38 L'entretien touche à sa fin. Il nous reste à vous poser quelques questions générales sur votre profil. Ces informations resteront confidentielles.

Q31 Etes-vous...

- Une femme (1)
- Un homme (2)

Q32 Quel âge avez-vous?

Q33 De combien de personnes se compose votre ménage vous compris? (Par ménage nous entendons toutes personnes vivant régulièrement sous le même toit)

- 1 personne (1)
- 2 personnes (2)
- 3 personnes (3)
- 4 personnes (4)
- 5 personnes (5)
- 6 personnes et plus (6)

Q34 Quel est votre plus haut diplôme?

- Diplôme primaire (1)
- Diplôme secondaire inférieur (2)
- Diplôme secondaire supérieur (3)
- Diplôme supérieur non-universitaire (4)
- Diplôme supérieur universitaire (5)
- Diplôme post-universitaire (6)

Q40 Quelle est votre situation professionnelle?

- Employé(e) (1)
- Indépendant(e) (2)
- Profession libérale (3)
- Agriculteur/trice ou exploitant(e) (4)
- Artisant(e) ou commerçant(e) (5)
- Cadre (6)
- Ouvrier(ère) (7)
- Etudiant(e) (8)
- Sans emploi (9)
- Personne au foyer (10)
- Retraité(e) (11)

Appendix 4 : questionnaire for study 3

Q1 Bonjour,   Dans le cadre d'une recherche scientifique menée par des chercheurs l'UCL et l'Université de Namur, nous réalisons une enquête concernant les programmes de fidélité.   Auriez-vous l'amabilité de répondre à ces quelques questions ? Votre participation est primordiale pour nous. L'enquête prend environ 10 minutes. Il n'y a ni bonne, ni mauvaise réponse, seule votre opinion nous intéresse. Pour des raisons méthodologiques, certaines questions peuvent vous paraître redondantes mais il est essentiel pour le succès de l'étude que vous répondiez à toutes les questions. Ces informations seront traitées de manière totalement anonyme.   Merci d'avance pour votre collaboration.

Q2 Avant de commencer, pourriez-vous reporter le numéro qui vous a été communiqué dans l'e-mail?

Q3 Pour commencer ce questionnaire, nous vous demandons de penser à un programme de fidélité d'un magasin que vous fréquentez (peu importe le secteur) et par lequel l'entreprise vous a déjà au moins une fois contacté(e) en dehors du point de vente (par exemple; par email, par courrier, via des dépliants liés au programme,…).   A quel programme pensez-vous ?   Nom du magasin/enseigne proposant ce programme:

Q4 Voici ci-dessous une série d'affirmations décrivant le programme de fidélité de l'enseigne que vous avez proposé. Pour chacune de ces affirmations, veuillez indiquer dans quelle mesure vous êtes d'accord avec celle-ci ?

	Pas du tout d'accord (1)	Pas d'accord (2)	Plutôt pas d'accord (3)	Ni en accord ni en désaccord (4)	Plutôt d'accord (5)	D'accord (6)	Tout à fait d'accord (7)
Cette enseigne m'envoie souvent des communications à travers le programme (1)	❍	❍	❍	❍	❍	❍	❍
Cette enseigne me tient informé(e) à travers des communications concernant le programme (2)	❍	❍	❍	❍	❍	❍	❍
Cette enseigne m'informe souvent à travers des brochures concernant le programme (3)	❍	❍	❍	❍	❍	❍	❍
Cette enseigne fait des efforts pour augmenter la fidélité de ses clients réguliers (4)	❍	❍	❍	❍	❍	❍	❍
Cette enseigne fait divers efforts pour améliorer sa relation avec ses clients réguliers (5)	❍	❍	❍	❍	❍	❍	❍
Cette enseigne se soucie vraiment de garder ses clients réguliers (6)	❍	❍	❍	❍	❍	❍	❍

Q5 Voici ci-dessous une série d’affirmations décrivant votre participation au programme de fidélité que vous avez mentionné. Pour chacune de ces affirmations, veuillez indiquer dans quelle mesure vous êtes d'accord avec celles-ci ?

Pas du tout d’accord (1)	Pas d’accord (2)	Plutôt pas d'accord (3)	Ni en accord ni en désaccord (4)	Plutôt d'accord (5)	D'accord (6)	Tout à fait d'accord (7)

Je me considère comme un membre actif de ce programme (1)
Je participe activement à ce programme (2)
J’;estime avoir un niveau d’;activité élevé en ce qui concerne ce programme (3)
Ma participation à ce programme est faible (4)

Je présente ma carte de fidélité à la caisse, même lorsque la caissière/le caissier ne me la demande pas. (5)
J’oublie de sortir ma carte de fidélité lorsque j’effectue des achats dans cette enseigne. (6)
Je pense spontanément à sortir ma carte de fidélité lors de mon passage à la caisse. (7)
Je présente ma carte de fidélité à la caisse uniquement lorsque la caissière/le caissier me la demande. (8)
J’attends que la caissière/le caissier me demande ma carte de fidélité pour lui présenter. (10)
Je suis de près l’évolution de mes points « fidélité ». (11)
Je fais le nécessaire pour échanger mes points et recevoir la récompense. (16)
Lorsque j’atteins le seuil nécessaire, je m’assure de bien recevoir la récompense. (17)
Lorsque je reçois une récompense à utiliser sur mon prochain achat, je fais un effort pour retourner dans cette enseigne afin d’en bénéficier. (18)
Lorsque j’ai atteint un certain seuil de points, je me rends spécifiquement dans cette enseigne pour recevoir ma récompense (19)
Je me rends spécifiquement dans cette enseigne lorsqu’il propose une offre intéressante aux membres du programme. (20)
Je choisis cette enseigne plutôt qu’une autre pour bénéficier des avantages offerts par le programme. (21)
Lorsque je reçois un avantage particulier grâce au programme, je me rends dans cette enseigne plutôt que dans une autre. (22)
Si le programme propose une offre temporaire, je planifie mes courses au moment où je peux bénéficier des avantages offerts. (23)
Je vais m’arranger pour acheter en fonction de la période de validité des offres proposées par le programme. (24)
J’organise mon agenda en fonction des offres proposées par le programme. (25)
Je suis prêt(e) à acheter plus de produits pour bénéficier d’avantages supplémentaires offerts par le programme. (26)
Je suis prêt(e) à acheter d’autres produits que ce que j’avais initialement planifiés pour bénéficier d’avantages supplémentaires offerts par le programme. (27)
Je suis prêt(e) à acheter une autre marque pour bénéficier d’avantages supplémentaires offerts par le programme. (28)
Quel que soit mon expérience (positive ou négative) avec le programme de fidélité, je vais parler de mon expérience vécue avec mon entourage. (29)
Lorsque je suis déçu(e) par le programme, j’;en parle à mon entourage. (30)
Si je suis satisfait(e) du programme, je recommande ce programme à mon entourage. (31)
Je vais essayer de convaincre mon entourage d’adhérer à ce programme lorsqu’il y a une offre intéressante. (32)
Lorsque je reçois une communication liée au programme (un e-mail, une brochure, un flyer, etc.), je l’;ouvre. (33)
Lorsque je reçois une communication liée au programme (un e-mail, une brochure, un flyer, etc.), je la jette directement à la poubelle. (34)
Lorsque je reçois une communication liée au programme (un e-mail, une brochure, un flyer, etc.), je passe du temps à la lire. (35)
Lorsque je reçois une offre comme membre du programme, je suis curieux/se et je vais rechercher plus d’informations. (38)
Je recherche des informations sur le programme de fidélité (sur internet ou dans le magasin). (41)
Dans le magasin, j’emporte les nouveaux magazines ou dépliants contenant des informations sur le programme. (42)
Je me tiens au courant des offres que propose ce programme. (43)
Je suis de près l’actualité concernant ce programme. (44)

Q6 Voici ci-dessous une série d'affirmations décrivant vos attitudes et vos comportements envers le programme de fidélité que vous avez mentionné. Pour chacune de ces affirmations, veuillez indiquer dans quelle mesure vous êtes d'accord avec celle-ci ?

Pas du tout d'accord (1)	Pas d'accord (2)	Plutôt pas d'accord (3)	Ni en accord ni en désaccord (4)	Plutôt d'accord (5)	D'accord (6)	Tout à fait d'accord (7)

J'ai fait un bon choix quand j'ai décidé de participer au programme. (1)
Mon évaluation globale de ce programme est bonne. (2)
Les avantages que j'ai reçus ainsi qu'être un membre de ce programme rencontrent mes attentes. (3)
Tout bien considéré, je suis satisfait de ce programme de fidélité. (4)
Je recommanderais ce programme à d'autres personnes. (5)
J'ai une forte préférence pour ce programme. (6)
Je préfère ce programme à d'autres programmes. (7)

Q7 Voici ci-dessous une série d'affirmations décrivant vos attitudes et vos comportements envers l'enseigne qui propose le programme de fidélité (que vous avez mentionné plus haut). Pour chacune de ces affirmations, veuillez indiquer dans quelle mesure vous êtes d'accord avec celle-ci ?

Même si cette enseigne était plus difficile à atteindre, je continuerais à acheter chez eux. (1)
Je me sens engagé(e) envers cette enseigne. (2)
Je suis prêt(e) à faire davantage de kilomètres afin de rester client(e) de cette enseigne. (3)
J'ai beaucoup d'affection pour cette enseigne. (4)
L'achat au sein de cette enseigne me procure beaucoup de joie, beaucoup de bonheur. (5)
J'éprouve un certain réconfort à effectuer mes achats au sein de cette enseigne. (6)
Je suis très lié(e) à cette enseigne. (7)
Je suis très attaché(e) à cette enseigne. (8)
J';ai une relation de grande qualité avec cette enseigne (9)
Je suis heureux des efforts que l'enseigne fait envers des clients comme moi (10)
Je suis satisfait de la relation que j';ai avec cette enseigne (11)
Je rachèterais des articles ou des services dans cette enseigne (12)
J';ai tendance à retourner dans cette enseigne pour faire mes achats (13)
Cette enseigne est mon premier choix quand il s';agit d';acheter ce genre d';articles (14)

Q8 Pourquoi fréquentez-vous cette enseigne? Veuillez classer les réponses ci-dessous.

______ Les prix pratiqués (1)
______ La distance parcourue pour atteindre l'enseigne (2)
______ Le personnel (3)
______ L'assortiment proposé (4)
______ L'ambiance du magasin (5)

Q9 A quelle fréquence vous rendez-vous dans cette enseigne?

- Moins d'1 fois par an (1)
- 2 à 3 fois par an (2)
- 1 fois tous les 2 mois (3)
- 1 fois par mois (4)
- 2 à 3 fois par mois (5)
- 1 fois par semaine (6)
- 2 à 3 fois par semaine (7)
- 4 à 5 fois par semaine (8)
- Tous les jours (9)

Q10 En moyenne, combien dépensez-vous à chaque fois que vous vous rendez dans cette enseigne ?

- 0 à 4,99€ (1)
- 5 à 9,99€ (2)
- 10 à 14,99€ (3)
- 15 à 19,99€ (4)
- 20 à 29,99€ (5)
- 30 à 39,99€ (6)
- 40 à 49,99€ (7)
- 50 à 74,99€ (8)
- 75 à 99,99€ (9)
- 100 à 124,99€ (10)
- 125 à 149,99€ (11)
- 150 à 174,99€ (12)
- 175 à 199,99€ (13)
- 200 à 249,99€ (14)
- 250 à 299,99€ (15)
- 300 à 399€ (16)
- 400 à 499€ (17)
- 500€ et plus (si plus, quel montant environ?) (18) ____________________

Q11 En moyenne, combien dépensez-vous chaque mois dans ces enseignes, tous magasins confondus ?

- 0 à 49,99€ (7)
- 50 à 99,99€ (8)
- 100 à 149,99€ (11)
- 150 à 199,99€ (13)
- 200 à 249,99€ (14)
- 250 à 299,99€ (15)
- 300 à 349,99€ (16)
- 350 à 399,99€ (17)
- 400 à 449,99€ (19)
- 450 à 499,99€ (20)
- 500 à 549,99€ (21)
- 550 à 599,99€ (22)
- 600 à 699,99€ (23)
- 700 à 799,99€ (24)
- 800 à 899,99€ (25)
- 900 à 999,99€ (26)
- 1000 à 1249,99€ (27)
- 1250 à 1499,99€ (28)
- 1500 à 1749,99€ (29)
- 1750 à 1999,99€ (30)
- 2000€ et plus (si plus, quel montant environ?) (18) ____________________

Q12 Voici quelques questions concernant vos habitudes d’;achat dans ce type d’;enseigne, dans quelle mesure êtes-vous d’;accord avec les affirmations suivantes?

Pas du tout d’accord (1)	Pas d’accord (2)	Plutôt pas d'accord (3)	Ni en accord ni en désaccord (4)	Plutôt d'accord (5)	D'accord (6)	Tout à fait d'accord (7)

En général, je suis quelqu'un qui considère le type de produits achetés dans cette enseigne comme importants (1)
En général, je suis quelqu'un qui est intéressé par le type de produits achetés dans cette enseigne (2)
En général, je suis quelqu'un pour qui le type de produits achetés dans cette enseigne signifie beaucoup (3)
Je choisis d'acheter mes produits dans une enseigne qui offre les meilleures promotions du moment (4)
Je compare ce que je peux retirer de mon argent dans les différentes enseignes (5)
Je tire profit de la comparaison des prix à travers différentes enseignes actives dans le secteur (6)
Je choisis l'enseigne dans laquelle je vais réaliser mes achats sur bas des prix qui y sont pratiqués (7)
Je pense que des contacts personnalisés avec le personnel dans ce type d'enseigne sont importants (8)
Je pense qu’il est important d’être reconnu par le personnel dans ce type d’enseigne (9)
J’effectue seulement mes achats dans des enseignes où je sais que le personnel est amical (10)
Je pense qu’il est important qu’il y ait des membres du personnel à qui parler dans ce type d’enseigne (11)
Je veux faire le moins d’effort possible lorsque j’effectue mes achats dans ce type d’enseigne (12)
Je pense qu’effectuer mes achats dans ce type d’enseigne est un mal nécessaire (13)
J’alloue le moins de temps possible à effectuer mes achats dans ce type d’enseigne (14)
Je veux être reconnu(e) pour ma fidélité (15)
Si je ne participe pas, je manque des bénéfices importants (16)
Si je m’investis dans la relation, je veux être récompensé(e) pour mon investissement (17)
Je ne veux pas être mis(e) de côté si d’autres clients reçoivent des bénéfices que je ne reçois pas (18)
Je n’aime pas donner mes informations personnelles à une entreprise (19)
J’ai peur de donner mes informations personnelles à des entreprises (20)
Cela m’ennuie lorsque je reçois des mails non désirés de la part d’une entreprise (21)
Je n’aime pas recevoir des mails non désirés de la part d’une entreprise (22)

L’entretien touche à sa fin. Il nous reste à vous poser quelques questions générales sur votre profil. Ces informations resteront confidentielles.

Q13 Etes-vous...

- ❍ Une femme (1)
- ❍ Un homme (2)

Q14 Quel âge avez-vous?

Q15 De combien de personnes se compose votre ménage vous compris? (Par ménage nous entendons toutes personnes vivant régulièrement sous le même toit)

- ❍ 1 personne (1)
- ❍ 2 personnes (2)
- ❍ 3 personnes (3)
- ❍ 4 personnes (4)
- ❍ 5 personnes (5)
- ❍ 6 personnes et plus (6)

Q16 Quel est votre plus haut diplôme?

- Diplôme primaire (1)
- Diplôme secondaire inférieur (2)
- Diplôme secondaire supérieur (3)
- Diplôme supérieur non-universitaire (4)
- Diplôme supérieur universitaire (5)
- Diplôme post-universitaire (6)

Q17 Quelle est votre situation professionnelle?

- Employé(e) (1)
- Indépendant(e) (2)
- Profession libérale (3)
- Agriculteur/trice ou exploitant(e) (4)
- Artisant(e) ou commerçant(e) (5)
- Cadre (6)
- Ouvrier(ère) (7)
- Etudiant(e) (8)
- Sans emploi (9)
- Personne au foyer (10)
- Retraité(e) (11)

Appendix 5 : questionnaire for study 4

Q1 Bonjour,   Dans le cadre d'une recherche scientifique menée par des chercheurs l'UCL et l'Université de Namur, nous réalisons une enquête concernant les programmes de fidélité. Auriez-vous l'amabilité de répondre à ces quelques questions ? Votre participation est primordiale pour nous. L'enquête prend environ 10 minutes. Il n'y a ni bonne, ni mauvaise réponse, seule votre opinion nous intéresse.   Pour des raisons méthodologiques, certaines questions peuvent vous paraître redondantes mais il est essentiel pour le succès de l'étude que vous répondiez à toutes les questions. Ces informations seront traitées de manière totalement anonyme. Merci d'avance pour votre aimable et précieuse collaboration.

Q2 Avant de commencer, pourriez-vous reporter le numéro qui vous a été communiqué dans l'e-mail dans la case ci-dessous?

Q1a Avez-vous au moins une carte de fidélité dans le secteur de l'alimentaire (grandes surfaces)/ secteur vestimentaire / secteur des magasins de bricolage / secteur des cosmétiques et produits de soin?

- ❍ Oui (1)
- ❍ Non (2)

Answer If Pour débuter cette enquête, nous vous demandons si vous êtes membre d'au moins un programme dans le secteur de l'alimentaire (grandes surfaces)? Oui Is Selected

Q2a Nous vous demandons de penser à la dernière carte de fidélité que vous avez utilisée dans le secteur de l'alimentaire (grandes surfaces).   Nom du magasin/enseigne proposant ce programme:

Q3a Voici ci-dessous une série d'affirmations décrivant votre participation au programme de fidélité que vous avez mentionné.   Pour chacune de ces affirmations, veuillez indiquer dans quelle mesure vous êtes d'accord avec celle-ci ?
[Cochez un chiffre de 1 à 7. « 1 » signifie que vous n'êtes pas du tout d'accord et « 7 » signifie que vous êtes tout à fait d'accord avec cette affirmation (une seule réponse possible)]

Pas du tout d'accord (1)	Pas d'accord (2)	Plutôt pas d'accord (3)	Ni en accord ni en désaccord (4)	Plutôt d'accord (5)	D'accord (6)	Tout à fait d'accord (7)

Je me considère comme un membre actif de ce programme (1)
Je participe activement à ce programme (2)
J'estime avoir un niveau d'activité élevé en ce qui concerne ce programme (3)
Ma participation à ce programme est faible (4)
Je présente ma carte de fidélité à la caisse, même lorsque la caissière/le caissier ne me la demande pas (5)
J'oublie de sortir ma carte de fidélité lorsque j'effectue des achats dans cette enseigne (6)
Je pense spontanément à sortir ma carte de fidélité lors de mon passage à la caisse (7)
Je ne présente ma carte de fidélité à la caisse que lorsque la caissière/le caissier me la demande (8)
J'attends que la caissière/le caissier me demande ma carte de fidélité pour lui présenter (9)
Je fais le nécessaire pour échanger mes points et recevoir la récompense (10)
Lorsque je reçois une récompense à utiliser sur mon prochain achat, je fais un effort pour retourner dans cette enseigne afin d'en bénéficier (11)
Lorsque j'ai atteint un certain seuil de points, je me rends spécifiquement dans cette enseigne pour recevoir ma récompense (12)
Je suis prêt(e) à acheter plus d'articles pour bénéficier d'avantages supplémentaires offerts par le programme (13)
Je suis prêt(e) à acheter d'autres articles que ce que j'avais initialement planifié pour bénéficier d'avantages supplémentaires offerts par le programme (14)
Je suis prêt(e) à acheter une autre marque pour bénéficier d'avantages supplémentaires offerts par le programme (15)
Quelle que soit mon expérience (positive ou négative) avec le programme de fidélité, je vais parler de mon expérience vécue avec mon entourage (16)
Lorsque je suis déçue par le programme, je vais en parler à mon entourage (17)
Si je suis satisfaite du programme, je vais recommander ce programme à mon entourage (18)
Je vais essayer de convaincre mon entourage d'adhérer à ce programme lorsqu'il y a une offre intéressante (19)
Lorsque je reçois une communication liée au programme (un e-mail, une brochure, un flyer, etc.), je l'ouvre (20)
Lorsque je reçois une communication liée au programme (un e-mail, une brochure, un flyer, etc.), je la jette directement à la poubelle (21)
Lorsque je reçois une communication liée au programme (un e-mail, une brochure, un flyer, etc.), je passe du temps à la lire (22)
Lorsque je reçois une offre comme membre du programme, je suis curieux(se) et je vais rechercher plus d'informations (23)
Je recherche des informations sur le programme de fidélité (sur internet ou dans le magasin) (24)
Dans le magasin, j'emporte les nouveaux magazines ou dépliants contenant des informations sur le programme (25)
Je me tiens au courant des offres que propose ce programme (26)
Je suis de près l'actualité concernant ce programme (27)
Je suis de près l'évolution de mes points « fidélité » (28)

Q4a Voici ci-dessous une série d’affirmations décrivant vos attitudes et comportements envers le programme de fidélité que vous avez mentionné. Pour chacune de ces affirmations, veuillez indiquer dans quelle mesure vous êtes d'accord avec celle-ci ? [Cochez un chiffre de 1 à 7. « 1 » signifie que vous n'êtes pas du tout d’accord et « 7 » signifie que vous êtes tout à fait d’accord avec cette affirmation (une seule réponse possible)]

Je recommanderais ce programme à d’autres personnes (1)
J’ai une forte préférence pour ce programme (2)
Je préfère ce programme à d’autres programmes (3)
J’ai fait un bon choix quand j’ai décidé de participer à ce programme (4)
Mon évaluation globale de ce programme est bonne (5)
Les avantages que je reçois en tant que membre de ce programme rencontrent mes attentes (6)
Tout bien considéré, je suis satisfait de ce programme de fidélité (7)

Q5a Voici ci-dessous une série d’affirmations décrivant vos attitudes et vos comportements envers l’enseigne qui propose le programme de fidélité (que vous avez mentionné plus haut). Pour chacune de ces affirmations, veuillez indiquer dans quelle mesure vous êtes d'accord avec celle-ci ? [Cochez un chiffre de 1 à 7. « 1 » signifie que vous n'êtes pas du tout d’accord et « 7 » signifie que vous êtes tout à fait d’accord avec cette affirmation (une seule réponse possible)]

Cette enseigne fait des efforts pour augmenter la fidélité de ses clients réguliers (1)
Cette enseigne fait tout ce qu’elle peut pour améliorer sa relation avec ses clients réguliers. (2)
Cette enseigne se soucie vraiment de garder ses clients réguliers (3)
Comme client régulier, j’ai une relation de grande qualité avec cette enseigne (4)
Je suis heureux des efforts que l’enseigne fait envers des clients réguliers comme moi (5)
Je suis satisfait de la relation que j’ai avec cette enseigne (6)
Tout ce qui concerne cette enseigne retient mon attention (7)
J’aime en savoir plus sur cette enseigne (8)
J’accorde beaucoup d’intérêt à tout ce qui concerne cette enseigne (9)
Je me tiens au courant des informations concernant cette enseigne (10)
Je consacre beaucoup de mon temps à cette enseigne (11)
Je me donne à fond pour cette enseigne (12)
Je suis passionné(e) par cette enseigne (13)
Ma vie ne serait pas la même sans cette enseigne (14)
J’aime passer du temps dans cette enseigne (15)
J’aime bien fréquenter cette enseigne avec mon entourage (16)
J’apprécie davantage fréquenter cette enseigne lorsque je suis avec d’autres (17)
Fréquenter cette enseigne est plus plaisant lorsque d’autres personnes autour de moi la fréquente également (18)
J’ai beaucoup d’affection pour cette enseigne (19)
Acheter dans cette enseigne me procure beaucoup de joie, beaucoup de bonheur (20)
J’éprouve un certain réconfort à effectuer mes achats au sein de cette enseigne (21)
Je suis très lié(e) à cette enseigne (22)
Je suis très attaché(e) à cette enseigne (23)
Cette enseigne est mon choix préféré (24)
Je me considère fidèle à cette enseigne (25)
Je recommanderais cette enseigne à d’autres (26)
Je préfère cette enseigne plutôt qu’une autre (27)
Je rachèterais des produits ou des services dans cette enseigne (28)
J’aurais tendance à retourner dans cette enseigne pour faire mes achats (29)
Cette enseigne est mon premier choix quand il s’agit d’acheter ce genre de produits ou services (30)

Q6a Vous êtes bientôt à la fin, encore un peu de courage! :-)

Q7a En moyenne, quel budget dépensez-vous chaque mois dans le secteur de l’alimentaire, tous magasins confondus ?

- 0 à 24,99€ (1)
- 25 à 49,99€ (2)
- 50 à 99,99€ (3)
- 100 à 149,99€ (4)
- 150 à 199,99€ (5)
- 200 à 249,99€ (6)
- 250 à 299,99€ (7)
- 300 à 349,99€ (8)
- 350 à 399,99€ (9)
- 400 à 449,99€ (10)
- 450 à 499,99€ (11)
- 500 à 549,99€ (12)
- 550 à 599,99€ (13)
- 600 à 699,99€ (14)
- 700 à 799,99€ (15)
- 800 à 899,99€ (16)
- 900 à 999,99€ (17)
- 1000 à 1249,99€ (18)
- 1250 à 1499,99€ (19)
- 1500 à 1749,99€ (20)
- 1750 à 1999,99€ (21)
- 2000€ et plus (22)

Q8a Pourriez-vous indiquer ci-dessous quel pourcentage de votre budget total mensuel dans l'alimentaire vous allouez à l’enseigne dont vous avez cité le programme de fidélité ?

______ % du budget total alimentaire dépensé dans l'enseigne citée (1)

Q9a En moyenne, à quelle fréquence vous rendez-vous dans les grandes surfaces pour vos courses alimentaires (toutes enseignes confondues) ?

- Tous les jours (1)
- 4 à 5 fois par semaine (2)
- 2 à 3 fois par semaine (3)
- 1 fois par semaine (4)
- 2 à 3 fois par mois (5)
- 1 fois par mois (6)
- 1 fois tous les 2 mois (7)
- 2 à 3 fois par an (8)
- Moins d'1 fois par an (9)

Q10a En moyenne, à quelle fréquence vous rendez-vous dans l'enseigne dont vous avez cité le programme pour vos courses alimentaires?

- Tous les jours (1)
- 4 à 5 fois par semaine (2)
- 2 à 3 fois par semaine (3)
- 1 fois par semaine (4)
- 2 à 3 fois par mois (5)
- 1 fois par mois (6)
- 1 fois tous les 2 mois (7)
- 2 à 3 fois par an (8)
- Moins d'1 fois par an (9)

Q11a Voici ci-dessous une série d’affirmations décrivant vos attitudes et vos comportements. Pour chacune de ces affirmations, veuillez indiquer dans quelle mesure vous êtes d'accord avec celle-ci ? [Cochez un chiffre de 1 à 7. « 1 » signifie que vous n'êtes pas du tout d’accord et « 7 » signifie que vous êtes tout à fait d’accord avec cette affirmation (une seule réponse possible)]

En général, je suis quelqu’un qui considère le type de produits achetés dans cette enseigne comme importants (1)
En général, je suis quelqu’un qui est intéressé par le type de produits achetés dans cette enseigne (2)
En général, je suis quelqu’un pour qui le type de produits achetés dans cette enseigne signifie beaucoup (3)
Je choisis d’acheter mes produits dans une enseigne qui offre les meilleures promotions du moment (4)
Je compare ce que je peux retirer de mon argent dans les différentes enseignes (5)
Je tire profit de la comparaison des prix à travers différentes enseignes actives dans le secteur (6)
Je choisis l’enseigne dans laquelle je vais réaliser mes achats sur base des prix qui y sont pratiqués (7)
Je pense que des contacts personnalisés avec le personnel dans ce type d’enseigne sont importants (8)
Je pense qu’il est important d’être reconnu par le personnel dans ce type d’enseigne (9)
J’effectue seulement mes achats dans des enseignes où je sais que le personnel est amical (10)
Je pense qu’il est important qu’il y ait des membres du personnel à qui parler dans ce type d’enseigne (11)
Je veux faire le moins d’effort possible lorsque j’effectue mes achats dans ce type d’enseigne (12)
Je pense qu’effectuer mes achats dans ce type d’enseigne est un mal nécessaire (13)
J’alloue le moins de temps possible à effectuer mes achats dans ce type d’enseigne (14)
Je veux être reconnu(e) pour ma fidélité (15)
Si je ne participe pas, je manque des bénéfices importants (16)
Si je m’investis dans la relation avec l'enseigne, je veux être récompensé(e) pour mon investissement (17)
Je ne veux pas être mis(e) de côté si d’autres clients reçoivent des bénéfices que je ne reçois pas (18)
Je n’aime pas donner mes informations personnelles à une entreprise (19)
J’ai peur de donner mes informations personnelles à des entreprises (20)
Cela m’ennuie lorsque je reçois des mails non désirés de la part d’une entreprise (21)
Je n’aime pas recevoir des mails non désirés de la part d’une entreprise (22)

Q12a L’entretien touche à sa fin. Il nous reste à vous poser quelques questions générales sur votre profil. Ces informations resteront confidentielles.

Q13-1a Combien de cartes de fidélité avez-vous au total dans le secteur de l'alimentaire ?

- 1 (1)
- 2 à 4 (2)
- 5 à 9 (3)
- 10 à 14 (4)
- 15 à 19 (5)
- 20 ou plus (6)

Q13-2a Combien de cartes de fidélité utilisez-vous dans le secteur de l'alimentaire ?

- 1 (1)
- 2 à 4 (2)
- 5 à 9 (3)
- 10 à 14 (4)
- 15 à 19 (5)
- 20 ou plus (6)

Q13a Combien de cartes de fidélité avez-vous au total (toutes enseignes et secteurs confondus)?

- 1 (1)
- 2 à 4 (2)
- 5 à 9 (3)
- 10 à 14 (4)
- 15 à 19 (5)
- 20 ou plus (6)

Q14a Combien de cartes de fidélité utilisez-vous (toutes enseignes et secteurs confondus)?

- 1 (1)
- 2 à 4 (2)
- 5 à 9 (3)
- 10 à 14 (4)
- 15 à 19 (5)
- 20 ou plus (6)

Q15a Etes-vous...

- Une femme (1)
- Un homme (2)

Q16a Quel âge avez-vous?

______ âge (1)

Q17a De combien de personnes se compose votre ménage, vous compris ? [Par ménage, on entend toutes les personnes qui vivent de manière régulière sous le même toit]

- 1 personne (1)
- 2 personnes (2)
- 3 personnes (3)
- 4 personnes (4)
- 5 personnes (5)
- 6 personnes et plus (6)

Q18a Quel est votre plus haut diplôme?

- Diplôme primaire (1)
- Diplôme secondaire (2)
- Diplôme supérieur non-universitaire (3)
- Diplôme supérieur universitaire (4)

Q19a Quelle est votre situation professionnelle?

- Etudiant (1)
- Personne au foyer (2)
- Sans emploi (3)
- Ouvrier(ère) (4)
- Employé(e) (5)
- Cadre (6)
- Indépendant (7)
- Profession libérale (8)
- Autre (9) ____________________
- Retraité(e) (11)

ESSAY 2 :

ENHANCING CUSTOMER ENGAGEMENT WITH LOYALTY PROGRAMS

Note: this essay is co-written as first author by the doctoral candidate, in collaboration with Valérie Swaen (Université catholique de Louvain) and Pietro Zidda (Université de Namur, Belgium).

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Abstract

Despite the increasing number of customer's LP enrolments, the average number of programs in which members are engaged has decreased. This research investigates what type of LP design and related perceived benefits will be more likely to increase customer's engagement with LPs. With the help of an experimental study, we examine to what extent some elements of the LP design will impact customers' LP engagement. Results show that, whereas utilitarian benefits enhance LP engagement under low involvement, .hedonic benefits are more effective to enhance LP engagement under high involvement. Recognition benefits enhance LP engagement. This study contributes to previous literature on LPs by providing insights on how to keep customers engaged after enrolment.

Keywords: engagement, loyalty programs, perceived benefits

Introduction

The use of direct marketing has increased steadily over the last decades and the vast majority of companies use customer relationship management instruments (van Diepen et al. 2009). Loyalty programs (referred to as LPs hereafter) are a widely used customer relationship management tool and U.S. companies spend annually over $50 billion on the development of LPs (Shaukat and Auerbach 2011). Furthermore, 57% of companies indicate that they will increase their LP budgets in 2017 (Crowdtwist 2016) . In Europe, the importance of LPs is rising too with an increase in the total number of LPs between 2013 and 2015 of 10% (Virtone 2015). Companies' objectives with LPs are threefold: acquiring more information about customers (Kumar and Shah 2004), creating loyalty by changing behaviours (Bolton et al. 2000) and establishing long term relationships with customers (Sharp and Sharp 1997).

Traditional perspectives on LPs suggest encouraging repeated purchases through financial rewards, in line with economic exchange view on developing and maintaining customer relationships (Henderson et al. 2011). Usually, LPs offer utilitarian benefits to customers in exchange for repeat patronage to an organization (Noble et al. 2014). But, non-financial incentives can also be leveraged to promote the formation of relationships (Brashear-Alejandro et al. 2016). LPs can offer social and symbolic advantages (preferential treatment, restricted check-in counters or customized content communication) to build relationships with their members (Melancon et al. 2011).

During the last decades, the number of LP memberships has increased, with a growth of 26% of LP memberships between 2012 and 2014 (Berry 2015). But, while customers increasingly enrol in these programs, their *active* participation is slowing down (Mauri 2003). Indeed, 42% of enrolled members are not engaged with the program; households are members of 29 LPs on average but are engaged in only 12 of them (Berry 2015). Moreover, the proportion of active memberships among total memberships has dropped from 2010 to 2014, from 46% to

42% (Berry 2013, 2015). Customers enrol in LPs but use less than half of their loyalty cards to earn rewards. In addition, while firms make increasingly important efforts to communicate personally with their customers, a recent study shows that only 22,4% of the e-mails sent by companies to their customers are opened (DMA 2016).

These numbers show that firms manage to acquire new members with their LPs but that aren't able to engage them with their programs. Without customers' engagement, firms hardly collect data and are unable to develop relationship strategies to make their customers more loyal. Many programs fail because customers are not engaged in relationship marketing programs (Ashley et al. 2011).

Customer's engagement with LPs is composed of six different behavioural manifestations: proactively using cards, redeeming points, adapting purchase behavior, being receptive to information, sharing information, and searching for information (Bruneau et al. 2015).

The customer's engagement with a program seems to be influenced by the LP design (De Wulf et al. 2003). Previous empirical studies suggest that LP effectiveness depends on the program design (Demoulin and Zidda 2008; Kreis and Mafael 2014; Roehm et al. 2002; Yi and Jeon 2003). A large body of research has pointed out how the LP design determines (1) attitudinal loyalty to the program (e.g. Ashley et al. 2016) (2) behavioural and loyalty towards firm (e.g. Steinhoff and Palmatier 2016) and (3) company's profit (e.g. Zhang and Wedel 2009). But, whereas customer's engagement with LPs seems critical in evaluating the effectiveness of LPs, it remains unclear what type of LP design drives the customer's *engagement* with LPs. The purpose of this study is to investigate the type of LP design (more specifically LP rewards and LP-related communication) that enhances LP engagement. The LP design induces customers' perceived benefits of the LP (Mimouni-Chaabane and Volle 2010) which are keys in customers' mind and will drive their intention to participate and thus engage with LPs (De Wulf et al. 2003). Therefore, the purpose of our study is to investigate what type of perceived benefits (utilitarian, hedonic and symbolic) will drive customer LP engagement. Furthermore, many previous studies showed that customers' responses to LPs depend on their initial loyalty and involvement levels (Liu 2007; Yi and Jeon 2003), but no agreement exists on what types of benefits are more effective for high or low involvement and loyalty levels. Accordingly, we include loyalty and involvement as moderators of the effect of the LP design on customers' LP engagement.

Our research adds on previous research by providing insights on how to enhance LP engagement. While customers' engagement with LPs is key for the relationship marketing strategy to succeed, no previous research has investigated how to foster customers' engagement with LPs. Understanding how various features of LP's design enhance engagement with loyalty programs is a critical question for their effectiveness. Higher levels of engagement improve customer perceptions of the quality of the service provider and satisfaction (Gallan et al. 2013).

Our paper also contributes to the large body of research on LPs by considering initial loyalty and involvement as moderators. Indeed, previous studies have shown that LP members may respond differently to various incentives depending on their loyalty and involvement levels (Liu 2007; Yi et al. 2011). From a managerial point of view, the findings will help managers to make their LP members engaged with LPs after enrolment and collect data about their customers in order develop adequate relationship marketing strategies. We provide them with concrete recommendations about what type of LP design they should implement to foster engagement with their programs.

In the next section, we start with a short review of the kinds of perceived benefits customers derive from participating in LPs. Following, we study the effects of perceived benefits (and associated LP design) on customers' LP engagement, taking into account initial loyalty level and involvement as moderators. Finally, we end with a summary of the main conclusions, implications and suggestions for further research.

Perceived benefits of loyalty programs

This research examines how LP engagement is affected by members' perceived benefits of LPs. Customers are more likely to participate when they perceive benefits created by the program (De Wulf et al. 2003). Perceived program benefits refer the perceived value customers attach to what the program can provide or do for members (Mimouni-Chaabane and Volle 2010). Benefits customers obtain from LPs include utilitarian, hedonic and symbolic benefits. Utilitarian benefits are primarily functional and instrumental. They are represented by the "hard" dimensions of rewards (e.g. coupons or discounts) because they are economic in nature (Stathopoulou and Balabanis 2016). They usually correspond to a product's tangible attributes. Hedonic benefits are represented by experiential, emotional, and personally gratifying benefits (Mimouni-Chaabane and Volle 2010). They reflect the "soft" dimension of the rewards because they are non-economic in nature. Symbolic benefits refer to the extrinsic advantages that LPs can provide in relation for self-esteem and result from intangible and often product related attributes (Mimouni-Chaabane and Volle 2010). Symbolic benefits are divided into two sub dimensions: recognition and social benefits. Customers may experience recognition benefits because they are better treated than other customers (Mimouni-Chaabane and Volle 2010). These benefits are usually created by customization and personalization (Mimouni-Chaabane and Volle 2010). Social benefits describe the fact that customers can develop a feeling of belonging to a group that shares the same values (Mimouni-Chaabane and Volle 2010).

To investigate the effects of perceived benefits on LP engagement, we will consider two important aspects of LP's design: type of reward and LP-related communication. Rewards refer to any abstract (e.g. hedonic or symbolic recognition) or concrete (e.g. economic savings) stimuli that trigger consumers' internal cognitive responses (Meyer-Waarden 2015). As stated above, hard rewards will create utilitarian benefits, whereas soft rewards will represent the hedonic benefits. To induce symbolic benefits, this study will only consider recognition benefits. Because of their nature, social benefits are hardly created by LP managers and have been found to have no impact on the customer's perception of the company's relationship investment. To induce recognition benefits, a commonly used tool by LP managers is personalization as they create a sign of distinctiveness for customers.

Previous research has found positive effects of LP perceived benefits on LP membership decision (Leenheer et al. 2007) and intention to participate (De Wulf et al. 2003). Our study investigates what type of benefits engender LP engagement.

Hypotheses development

Utilitarian vs. hedonic benefits

Previous research commonly investigated the effects of hard versus soft rewards, in other words, they compared the effects of utilitarian and hedonic benefits (Breugelmans et al. 2015). For example, Bridson et al. (2008) assessed the effectiveness of hard versus soft attributes on store satisfaction and loyalty; Melancon et al. (2011) compared the effect of social and economic rewards on consumer commitment; and Gázquez-Abad et al. (2011) investigated how relational versus promotional direct mails impact purchase behaviour. In line with this stream of research, the first objective of this research is to compare the effects of utilitarian and hedonic benefits on LP engagement.

Utilitarian benefits are tangible in nature and associated with hard rewards. Previous research suggests that hard rewards have an impact on short-term behaviour and loyalty intentions (Meyer-Waarden 2015). The more cardholders receive promotional incentives, the higher the likelihood that they remain loyal to the card (Mauri 2003). When perceiving economic rewards, consumers are more likely to stay with the company (Melancon et al. 2011).

Hedonic benefits are emotionally gratifying benefits and may be associated with shopping, the use of media and increased behaviour loyalty (Mimouni-Chaabane and Volle 2010). Hedonic benefits are positively related to loyalty (Mimouni-Chaabane and Volle 2010).

We propose that the effect of the LP reward varies depending on involvement. Many studies showed involvement to be a key moderating variable affecting how consumers process reward information (Melancon et al. 2011). Involvement is thought to have considerable influence over the consumer behaviours and decision-making processes. High and low involved consumers are believed to behave differently (Meyer-Waarden 2015). Under high involvement, individuals devote much more cognitive processing to messages and information than under low involvement (Zaichkowsky 1985). Our study suggests that under high involvement, LP participation will be driven by hedonic benefits whereas, under low involvement, utilitarian benefits predict better customers' LP participation.

High involvement. Many studies have shown that high-involved individuals devote much more cognitive processing to information from companies (Batra and Stayman 1990). High involved customers are more likely to process all communications coming from a company than low involved customers. Under high involvement customers will tend form attitudes towards a company based on all the information that is provided by the company rather than on deals and promotions (Melancon et al. 2011; Yi and Jeon 2003). High involved LP members will thus form attitudes based on new content provided (hedonic benefits) rather than utilitarian benefits. Hence, the attitude (and related behaviour) towards the LP of high involved customers will not will be fostered by hedonic benefits rather than by utilitarian benefits. Moreover, previous research showed that, under high involvement, customer's motivation for purchasing is the brand and not the reward offered (Roehm et al. 2002). Highly involved customer derive value from the brand itself, and not the related attributes of incentives (Rothschild and Gaidis

1981). We thus propose that LP engagement will be enhanced with hedonic benefits rather than utilitarian benefits, in the high involvement case.

Low involvement. Under low involvement, the level of customers' cognitive processing is low and purchases can be characterized by inertia (Meyer-Waarden 2015). Value is derived from the attributes of incentives and not from the product itself (Rothschild and Gaidis 1981). In the context of LPs, it has been shown that, under low involvement, customers perceive more value from monetary rewards (Daryanto et al. 2010) and LP rewards are their primary motivation for purchasing (Meyer-Waarden 2015). The concrete features of an immediate, monetary reward are more relevant to determine customers' attitudes (Roehm et al. 2002). We thus propose that low involved customers will be more likely to be engaged when they perceive utilitarian benefits than hedonic benefits. Hence, we propose the following hypothesis:

H1: Under low involvement, perceived utilitarian benefits will induce higher levels of LP engagement than hedonic benefits, whereas, under high involvement hedonic benefits will induce higher levels of LP engagement than utilitarian benefits.

Recognition benefits

With LPs, companies collect data and are able to personalize their communications and promotions to their customers. Indeed, service firms increasingly use information technology to personalize communications, products and services (Ansari and Mela 2003). Personalization occurs when the firm decides what marketing mix is suitable for the individual (Arora et al. 2008). Personalized communication can be defined as a form of personalized promotional message that is delivered to each individual consumer based on personal information (Baek and Morimoto 2012). Customers perceive personalized offers as a sign of distinctiveness (Gordon et al. 1998; Mimouni-Chaabane and Volle 2010). When LP offers are personalized for customers, they will feel better treated (Gwinner et al. 1998) and consequently perceive recognition benefits.

Learning more about customer's responses to personalization is of particular relevance (Shen and Ball 2009). Personalization has a positive effect on customer's purchase behaviour (Gázquez-Abad et al. 2011) and is an important antecedent of loyalty (Ball et al. 2006). Customized promotions are positively related to point redemption behaviour (Zhang and Wedel 2009). Moreover, e-mails with a personal message have higher opening rates than e-mails with a non-personal message (Micheaux 2011) and perceived personalization has a negative effect on avoidance of the message (Baek and Morimoto 2012). Personalized communication increases attention and responses to offers (Ansari and Mela 2003). Preferential treatment has been found to have positive relationship with affective commitment (the will to stay with an organization) (Melancon et al. 2011) and has a positive effect on customer-company identification (the primary substrate for relationships that marketers are seeking to build with their customers) (Kang et al. 2015). Moreover, symbolic benefits have a positive impact on program loyalty (Evanschitzky et al. 2012; Kang et al. 2015).

However, personalization might not be effective under all circumstances (Zhang and Wedel 2009). Customers' past purchase behaviour is important in explaining responses to direct mails (van Diepen et al. 2009). We propose that the effect of personalization (and thus recognition benefits) on LP engagement will be depending on customer's initial loyalty level. Higher loyal customers will appreciate regular communication from the brand more than less loyal customers (Merisavo and Raulas 2004). Previous research found that personalized communication is only effective when customers are already convinced by the company (Gázquez-Abad et al. 2011; White et al. 2008). Indeed, due to the "direct mail clutter" (van Diepen et al. 2009), mails calling for an immediate response from the customer can lead to a negative attitude and thus to no behaviour. Hence, we propose the following hypothesis:

H2: Perceived recognition benefits induce higher levels of LP engagement, only for highly loyal customers.

Methodology

Design. In order to test our two hypotheses, we use a 2x2 full-factorial randomized design. Hedonic and utilitarian benefits (hard vs. soft rewards) and recognition benefits (personalized vs. non-personalized communication) are designed as between-subject variables. We chose to manipulate the perceived benefits through online communication (e-mails) because it allows us to highlight and certain elements of the design easily without respondents having to read a long scenario. In addition, to induce recognition benefits through personalization, mailings are the simplest tool as they are often addressed personally to customers.

Each condition presented a different email sent through the LP of a well-known grocery retailer, which is one of the most popular programs in Belgium. The rationale for selecting this particular program is that it offers a wide variety of utilitarian, hedonic and recognition benefits. The program offers utilitarian rewards such as cash coupons after a certain amount of points and hedonic rewards such as special cashiers, only for members. This program also creates recognition benefits because LP managers are very active in personalization, through communication, both off-line, online and in-store. Moreover, a vast majority of shoppers are member of this famous program, even though they are not necessarily loyal to the retailer, which allows us to have a variance in respondents' loyalty level. Grocery retailing is also a good choice because it allows us to have a variation in involvement levels. Indeed, whereas grocery retailing is generally considered as lowly involving, food shopping can also be highly involving for some customers (Beharrell and Denison 1995). To conclude, the choice of this program provides us with the variance needed to properly test the hypotheses.

After eliciting their involvement and initial loyalty level with that particular retailer, each subject was randomly assigned to one of the four conditions. Each respondent was shown one of the four emails (the e-mails are presented in Appendix 1). Utilitarian and hedonic benefits (hard vs. soft rewards) were manipulated with the email content. In the utilitarian condition, the email contained several price offers and coupons. The price reduction offered constitutes an utilitarian value that is derived from financial advantages (Bolton et al. 2000). In the hedonic condition, a cooking recipe was presented. The choice of a cooking recipe as a hedonic content can be explained by two factors. First, previous research has suggested that cooking recipes can be related to hedonic objects (Ahuvia et al. 2005). Second, the cooking recipe offers to customers the opportunity to try new things and trying new, or innovative products, constitutes one of the exploratory advantages, which is a sub-dimension of hedonic benefits offered by programs (Mimouni-Chaabane and Volle 2010).

.Recognition benefits were manipulated with personalization. The promotional message that was sent to each respondent was based on their personal information. First, the mail was addressed to them personally. Respondents had to imagine being “Virginie” (for female respondents) or “Pierre” (for male respondents) who loves Italian food and often buys pasta, asparagus, basil and Italian cheese. To manipulate personalization, the email shown was specifically addressed to “Virginie” or “Pierre”. Second, the products presented in the email were based on their personal preferences. In the personalized hard condition, the email showed special price offers on the Italian products presented in the scenario. In the personalized soft condition, a culinary recipe containing the same products was shown. In the non-personalized scenario, the email was addressed to “Sir” or “Madam”.

Measures. The measure of attitudinal loyalty used a four-item scale from Pappu and Quester (2006). Product category involvement relied on three items from De Wulf et al. (2001). We assessed LP engagement with the help of a second-order construct measuring several engagement behaviors with LPs (Bruneau et al. 2015). The perceived benefits utilitarian and hedonic benefits were measured using the utilitarian, hedonic and recognition benefits scales developed by Mimouni-Chaabane and Volle (2010). All constructs were measured on 7-point agreement scales and are presented in Appendix 2.

Sample. A total of 454 non-student participants (who range between 18 and 70 years old and whom 70% are women) were recruited through Qualtrics. As part of their master's thesis, two students collected data and sent out the survey link to various individuals in their entourage that are member of this LP. A mix of convenience and snowball sampling was used to collect responses. Both consist of a non-probabilistic sampling method. Convenience sampling, which refers to the attempt to obtain a sample from convenient elements (Malhotra et al. 2003), was used in the first time because students were conveniently selected. Following, snowball sampling, where subjects recruit other subjects from among their acquaintances (Malhotra et al. 2003), was used because students were asked to spread the survey to their relatives. This method was used to collect responses because it consists of an easy and relatively low cost sampling technique (Malhotra et al. 2003). Moreover, this method allowed us to have a variety of LP members coming from different horizons.

Before performing the manipulation checks, we removed all respondents disliking the Italian products presented in the e-mails. To allow us to measure hedonic benefits, it is essential that customers like the products related to it. Indeed, for hedonic benefits to be perceived, they need to be compatible with favourable associations in customers' minds (Roehm et al. 2002). This means that, for the hedonic benefits to be recognized, the recipe with Italian products presented needs to be in line with content that is appreciated by the respondent. If the respondents disliked the Italian products presented, they will not manage to make favourable associations in memory about the recipe received in the e-mails and will thus be unable to perceive the hedonic content related to it. This resulted in a database of 307 respondents whom 74% are women.

In order to be able to consider high and low levels of involvement and loyalty, we dichotomized the composite scores of loyalty and involvement. Both variables take a unit value if its composite score is strictly greater than 4 (midpoint) on the seven-point scale but 0 otherwise. Because the agreement response scale includes items that describe their level of involvement and loyalty, this midpoint roughly corresponds to that of a well-balanced intensity scale (from low to high). Considering responses strictly above the midpoint as positive imposes a fairly high standard for the minimum point at which the respondent may be considered as involved or loyal.

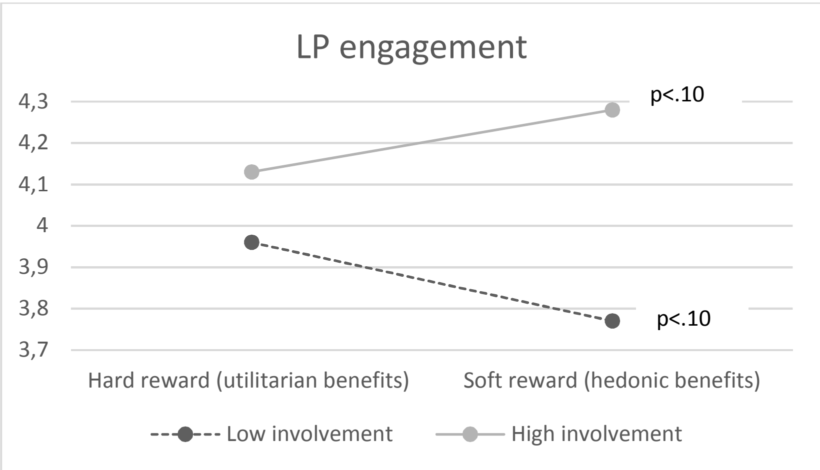
Manipulation checks. Manipulation checks for types of reward and personalization were performed. We measured the perceived utilitarian, hedonic (composed of exploration and entertainment benefits) and recognition benefits related to the emails. Perceived utilitarian benefits were higher in the utilitarian condition (mean=4.43) than in hedonic condition (mean=3.68; [$F(1,305)=38.08$, $p<0.01$]. Perceived exploration benefits were perceived as higher in hedonic condition (mean = 4.35) than in the utilitarian condition (mean=4.02; [$F(1,305)=4.755$, $p<0.05$]). Similarly, perceived entertainment benefits were higher in the hedonic condition (mean = 3.97) than in the utilitarian condition (mean=3.71; [$F(1,305)=3.234$, $p<0.10$]). The perceived levels of recognition benefits were higher in the personalized condition (mean=3.93) than in the non-personalized condition (mean=2.98; [$F(1,305)=33.094$, $p<0.001$]).

Results

The data was analysed using general linear models with LP engagement as dependent variable using SPSS 24. Perceived benefits (utilitarian vs. hedonic and recognition vs. no recognition), involvement (high vs. low), loyalty level (high vs. low) and the interactions between these variables were predictor variables. The descriptive statistics and correlations of the key variables are presented in Appendix 3.

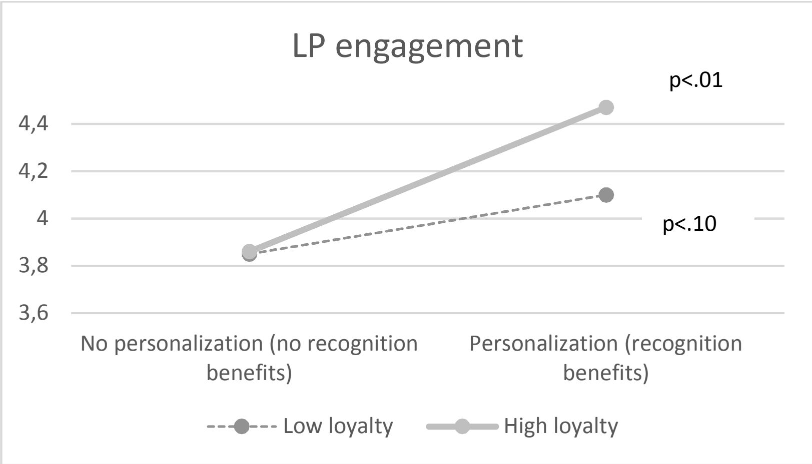
Hypothesis 1 addresses the effect of utilitarian vs. hedonic benefits on LP engagement for highly and lowly involved customers. In support of H1, a marginally significant interaction occurs between the type of reward and involvement level (F(1,307)=2.919, p<0.1). As shown in Figure 1, the results of the simple effect for the customers with low involvement levels show that LP engagement is higher for hard rewards than for soft rewards (3.96 vs. 3.77, p<0.1). On the other hand, highly involved customers have higher levels of LP engagement for soft than for hard rewards (4.28 vs. 4.13, p<0.1).

Figure 1: interaction effect with reward type



Hypothesis 2 addresses the influence of recognition benefits on LP engagement behaviours. As shown in Figure 2, the results confirmed the hypothesis, with a significant interaction between loyalty and personalization (F(1,307)=3.90; p<0.05). In line with the hypothesis, we found a positive effect of personalization for loyal customers, with higher levels of LP engagement in the personalized condition (3.86 vs. 4.47, p<0.01). For non-loyal customers, personalized communication resulted in a higher LP engagement level than non-personalized communication (3.85 vs. 4.10, p<0.10), but in a lesser extent than for loyal customers.

Figure 2: interaction effects with personalization



Discussion

This study examined the effects of perceived benefits on LP engagement. We investigated the effect of utilitarian vs. hedonic benefits (by manipulating reward types: hard vs. soft) and recognition benefits (by manipulating personalization) on LP engagement, including initial involvement and loyalty levels toward the company as moderators.

Results show that, inducing utilitarian benefits is only effective to increase LP engagement of low involved LP members. This confirms previous findings of Meyer-Waarden (2015) stating that, under low involvement, the preference of an LP and, consequently, store loyalty intentions are higher for tangible than intangible rewards. Under low involvement, customers' participation behaviour is thus motivated by utilitarian benefits (Daryanto et al. 2010) rather than hedonic benefits. Under high involvement, LP engagement seem to be fostered by hedonic benefits rather than utilitarian benefits. This confirms that highly involved customers form their attitudes (and related behaviours) on information provided by the company rather than on economic incentives (Melancon et al. 2011; Yi and Jeon 2003). This is in line with previous research suggesting that relational mailings can have a greater effect on customer short-term responses than promotional mailings (Gázquez-Abad et al. 2011).

Our results also showed that fostering recognition benefits through personalization is effective to enhance LP engagement, but this effect is higher for loyal customers than for non-loyal customers. But, these findings only partially support the findings of previous studies stating that personalized communication is only effective when customers are already convinced by the company (Gázquez-Abad et al. 2011; White et al. 2008). This result is consistent with the finding that loyal customers will be more likely to open communications coming from companies (Merisavo and Raulas 2004). Loyalty should lead to positive reactions toward the brand or focal object (Liu and Tam 2013); loyal customers are thus more likely to be engaged in the program.

Conclusion

LPs have gained in popularity and the number of customers' enrolments to these programs keeps on rising. But while the number of memberships increases, customers' engagement with LPs decreases. This paper investigates how to increase customers' engagement with LPs. The results of our studies show that LP engagement is depending on LP design and related perceived benefits. Inducing utilitarian benefits with hard rewards will be beneficial to enhance LP engagement of lowly involved members. On the other hand, hedonic benefits might be efficient to enhance LP engagement of highly involved customers. The findings also show that personalization tactics make customers more engaged with the LP, and that this effect is higher for loyal customers than non-loyal customers.

This paper contributes to the literature investigating the effects of LPs on customer behaviour by providing insights on what type of perceived benefits and associated LP design elements will increase LP engagement. First, it shows that all consumers do not react similarly to incentives. Our findings that the effects of perceived benefits varies in function of customers' involvement are consistent with the behavioural learning theory's premise that low- and high-involvement customers would be motivated by different factors. Customers are heterogeneous with respect to their response to LPs (Kopalle et al. 2012). Furthermore, our study partially supports previous finding that, when involvement is low, relationship marketing may be ineffective (Gordon et al. 1998).

Second, our findings show that hedonic benefits can be an efficient tool for enhancing LP engagement. Because hedonic benefits usually are less expensive than monetary incentives and induce long-term relationships, they are increasingly used by LP managers. Traditional perspectives on LPs suggest encouraging repeated purchases through financial rewards, in with the economic exchange view on developing and maintaining customer relationships (Henderson et al. 2011). This study shows that non-financial incentives to LP members can be leveraged to enhance LP engagement (Brashear-Alejandro et al. 2016). Some studies showed a positive effect of hedonic benefits (Roehm et al. 2002) while other found no or weaker effects than for monetary benefits (Meyer-Waarden 2015). Our study adds on previous literature by showing that hedonic benefits' effectiveness depends on the customers' involvement level.

Managerial implications

Our research offers relevant implications for managers of companies that develop LPs for their customers. Although 76% of LP members said they plan to make no changes in their level of engagement in reward programs in 2017 (Colloquy 2015), we propose three basic recommendations to LP managers to engage their customers more in the future. First, LPs should not only include utilitarian benefits. Even though utilitarian benefits is widely used to engage customers with LPs, it might not always be efficient for involved customers, because they attract attention to the reward rather than to the company (Roehm et al. 2002). Our study found that hedonic benefits are needed to enhance LP engagement of involved customers. Second, as LP members seem to react differently to LPs' incentives depending on their involvement and loyalty level, we propose to LP managers to adapt their LPs in function of their members. Whereas they should offer a majority of utilitarian rewards to low involved customers, we recommend LP managers to entertain their involved customers. Third, LP managers should communicate personally with their members LP members to enhance LP engagement. And their personalization efforts should be higher for loyal customers.

Limitations and future research

The present study is subject to a number of limitations, which represent avenues for future research. First, it is important to note that a real retailer was used to allow us to measure respondents' loyalty level. In our survey, we compared the effect of fictive e-mails presenting utilitarian versus hedonic benefits but we did not remove the effect of the other incentives offered by the retailer's LP. This means that the e-mails presented in the survey were evaluated by respondents, in addition to the other benefits perceived from participating in the program (before the survey). While our study shows that hedonic benefits might be more effective to enhance customers' LP engagement and that they are much more cost efficient for companies, an important question arises: "Are hedonic benefits sufficient to enhance LP engagement?". The vast majority of LPs offers soft rewards (inducing hedonic benefits) *in addition* to hard rewards (inducing utilitarian benefits). But, the major part of academic studies, compares the two types of benefits rather than dealing with the fact that both benefits usually are perceived together. The key point is that in practice, both hard and soft attributes are common elements of LPs. As a result, an evaluation of a LP requires an integrated analysis of both components (Kopalle et al. 2012). Future research should address this issue by investigating if hedonic benefits are sufficient to enhance LP engagement or if offering utilitarian benefits is a necessary condition for hedonic benefits to make customers more engaged with the program.

Second, only some elements of the LP design are considered. In our study, we manipulated perceived benefits by the type of reward (hard vs. soft) and personalized communication. But, LPs include other design elements such as point structure, membership requirements or relatedness to the brand. Future research should consider these elements of the LP design to provide a more holistic view of the elements of the LP design that foster customer engagement with LPs.

Third, previous research reveals that customers establish consistent links between the kinds of motives they have for participating in LPs and the kind of value they perceive (Kreis and Mafael 2014). The underlying motivations are important drivers of a LP's value-building process (Kreis and Mafael 2014). Our study was run in a grocery retailing context, which concerns utilitarian purchases. As the effects of the LP's design and customer shopping motives seem to be closely linked, further research should investigate the effects of perceived benefits of LPs in a more hedonic context.

Fourth, although the sampling method seemed the most convenient, it might be criticized because it provides respondents with similar demographic and psychographic characteristics (Malhotra et al. 2003). Another concern with our sampling method is the self-selection bias as the respondents to our survey are likely to be more interested and involved with LPs compared with no respondents (Wilson 1999).

Finally, as customers' reactions to LPs' incentives seem to be depending customer characteristics, it might be fruitful to include other customer characteristics than involvement or loyalty.

To conclude, while the number of LP enrolments keeps on rising, customer engagement with LPs is decreasing. This research offers insights on how to enhance customer engagement with LPs by showing what type of LP rewards and LP-related communication managers should use. We hope that the findings of our studies will stimulate further research on how to enhance LP engagement.

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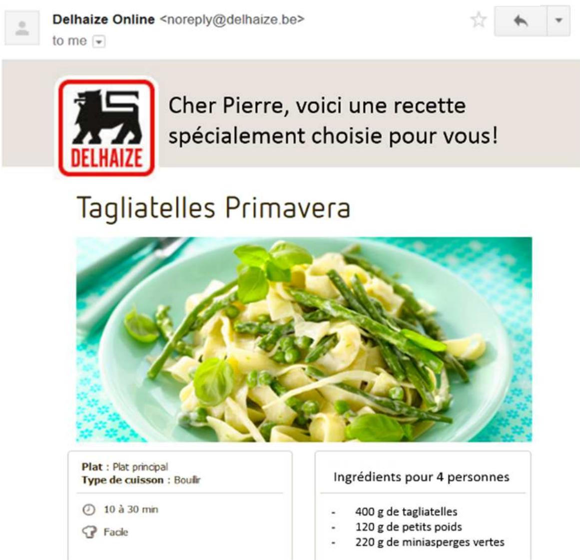
Appendix 1: stimuli

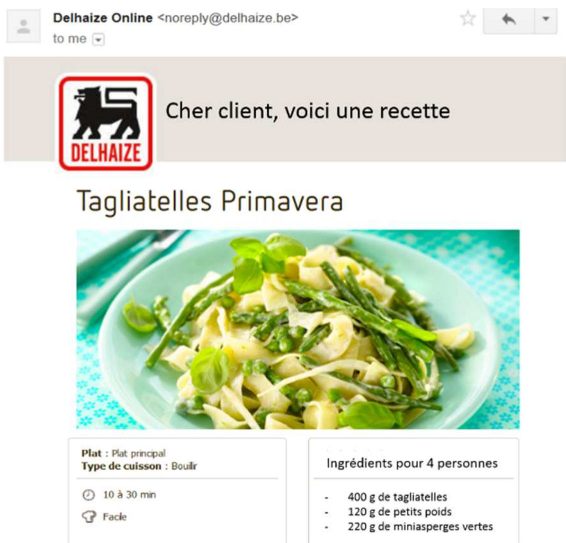
Utilitarian benefits (hard) –
recognition benefits (personalization)

Utilitarian benefits (hard) –
no recognition benefits (no personalization)

Hedonic benefits (soft) –
recognition benefits (personalization)



Hedonic benefits (soft) –
no recognition benefits (no personalization)



Appendix 2: scales

Perceived benefits: *adapted from Mimouni-Chaabane and Volle (2010)*

- Utilitarian benefits
    - Thanks to this email, I will save money
    - This e-mail proposes an interesting monetary advantage
    - Thanks to this email, I will spend less during my next purchases
- Hedonic benefits
    - Entertainment
        - The content of this e-mail is enjoyable
        - It is entertaining to receive this type of email
    - Exploration
        - This email made me discover new things
        - I learned something by reading this email
        - Thanks to this email, I discovered new content
- Symbolic benefits (personalization)
    - This email was personally addressed to me
    - This email was personalized for me

LP engagement *(Bruneau et al. 2015)*

Proactively using card

- I present my loyalty card at the cashier when he/she asks for it (reverse)
- I wait for the cashier to ask for my card before presenting it to him/her (reverse).
- I present my loyalty card at the cashier, even when he/she doesn't ask for it.
- I forget to take out my loyalty card when I make my purchases in this store (reverse).

Redeeming points

- When I receive a reward to use with my next purchase, I make an effort to return to this store to benefit from it.
- I do what I need to do to redeem my loyalty points and receive the reward.
- When I reach a certain point threshold, I go specifically to this store to get my reward.

Adapting purchase behaviour

- I am ready to buy other products than I have planned to get more advantages offered by the program.
- I am ready to buy other brands than I have planned to get more advantages offered by the program.
- I am ready to buy more products to get more advantages offered by the program.

Sharing information

- When I am disappointed by the program, I talk about it with my close friends and relatives.
- If I'm satisfied with the program, I recommend it to my close friends and relatives.
- Whatever the experience (positive or negative) with the loyalty program, I talk about it with my close friends and relatives.
- I try to convince my close friends and relatives to become members of this program when there is an interesting offer.

Being receptive to information

- When I receive communication linked to the program (email, brochure, flyer…), I throw it straight in the bin (reverse).
- When I receive communication linked to the program (email, brochure, flyer…), I open it.
- When I receive communication linked to the program (email, brochure, flyer…), I take some time to read it.

Proactively searching for information

- I look for information about the loyalty program (on Internet or in the store).
- I keep informed about the offers of this program.
- When I receive an offer as a program member, I am curious and I look for more information.

Attitudinal loyalty *adapted from Pappu and Quester (2006)*

- Delhaize is my first choice
- I consider myself as loyal to Delhaize
- I would recommend Delhaize to others
- I prefer Delhaize above other options

Product category involvement *adapted from De Wulf et al. (2001)*

- Generally, I am someone who considers grocery products as important
- Generally, I am someone who is interested in grocery products
- Generally, I am someone for whom grocery products mean a lot

Appendix 3: descriptive statistics

	Min	Max	Mean	Cronbach α	SD	1	2	3
1 LP engagement	1,71	6,50	4,10	0,75	0,80	1,00		
2 Involvement	2,00	7,00	5,32	0,93	1,07	,198**	1,00	
3 Store Loyalty	1,00	7,00	4,07	0,93	1,59	,180**	,122*	1,00

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Appendix 4: questionnaire

Bonjour,

Dans le cadre d'une recherche scientifique menée par des chercheurs l'UCL et l'Université de Namur, nous réalisons une enquête concernant les programmes de fidélité.

Auriez-vous l'amabilité de répondre à ces quelques questions ? **Votre participation est primordiale pour nous**. L'enquête prend environ 10 minutes. Il n'y a ni bonne, ni mauvaise réponse, seule votre opinion nous intéresse. Ces informations seront traitées de manière totalement anonyme.

Merci d'avance pour votre collaboration !

Si vous avez des commentaires ou des questions concernant cette enquête, n'hésitez pas à contacter Virginie Bruneau (doctorante à l'UCL) sur virginie.bruneau@uclouvain.be

Avez-vous la carte de fidélité Delhaize (la carte Plus) ? OUI/NON

L'avez-vous déjà utilisé déjà au moins une fois dans une enseigne Delhaize ? OUI/NON

Etes-vous...

- ❍ une femme (1)
- ❍ un homme (2)

Voici une série d'affirmations décrivant **vos attitudes et comportements vis-à-vis de Delhaize**. *Pour chacune de ces affirmations, veuillez indiquer dans quelle mesure vous êtes d'accord avec celle-ci ? [Cochez un chiffre de 1 à 7. « 1 » signifie que vous n'êtes pas du tout d'accord et « 7 » signifie que vous êtes tout à fait d'accord avec cette affirmation (une seule réponse possible)]*

Store loyalty (behavioral)	En moyenne, à quelle fréquence vous rendez-vous dans les magasins pour vos courses alimentaires (toutes enseignes confondues) ? Tous les jours 4 à 5 fois par semaine 2 à 3 fois par semaine 1 fois par semaine 2 à 3 fois par mois 1 fois par mois 1 fois tous les 2 mois 2 à 3 fois par an Moins d'1 fois par an En moyenne, à quelle fréquence vous rendez-vous chez Delhaize ? Tous les jours 4 à 5 fois par semaine 2 à 3 fois par semaine 1 fois par semaine 2 à 3 fois par mois 1 fois par mois 1 fois tous les 2 mois 2 à 3 fois par an Moins d'1 fois par an

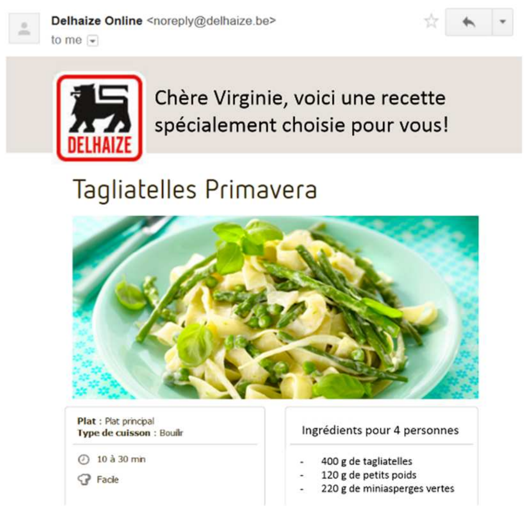
	En moyenne, quel budget dépensez-vous chaque mois pour vos courses alimentaires, toutes enseignes confondues ? 0 à 49,99€ 50 à 99,99€ 100 à 149,99€ 150 à 199,99€ 200 à 249,99€ 250 à 299,99€ 400 à 449,99€ 450 à 499,99€ 500 à 549,99€ 550 à 599,99€ 600 à 399,99€ 700 à 499,99€ 800 à 499,99€ 900 à 499,99€ 1000 à 1249,99€ 1250 à 1499,99€ 1500 à 1749,99€ 1750 à 1999,99€ 2000€ et plus [Quel montant environ ? ………………………….€] En moyenne, combien dépensez-vous à chaque fois que vous vous rendez chez Delhaize? 0 à 4,99€ 5 à 9,99€ 10 à 14,99€ 15 à 19,99€ 20 à 29,99€ 30 à 39,99€ 40 à 49,99€ 50 à 74,99€ 75 à 99,99€ 100 à 124,99€ 125 à 149,99 150 à 174,99€ 175 à 199,99€ 200 à 249,99€ 250 à 299,99€ 300 à 399,99€ 400 à 499,99€ 500€ et plus [Quel montant environ ? ………………………….€]
Store loyalty (attitudinal)	- Delhaize est mon choix préféré - Je me considère fidèle à Delhaize - Je recommanderais Delhaize à d’autres - Je préfère Delhaize plutôt qu’une autre enseigne
Company loyalty (behavioral : repurchase intentions)	- A l’avenir, je referai mes courses alimentaires chez Delhaize - J’ai tendance à retourner chez Delhaize pour faire mes achats - Delhaize est mon est mon premier choix quand il s’agit de faire mes courses alimentaires

(Scénario perso)

F : Nous vous demandons d'imaginer le scénario suivant : Vous vous appelez Virginie et vous êtes une grande amatrice de la cuisine italienne et plus particulièrement de pâtes. Lorsque vous vous rendez dans un magasin Delhaize, vous achetez fréquemment des tagliatelles, des asperges, du basilic et du fromage italien.

Comme membre du programme de fidélité Plus de Delhaize, vous recevez l'email suivant (veuillez lire attentivement cet e-mail afin de répondre aux questions qui vous seront posées par la suite):

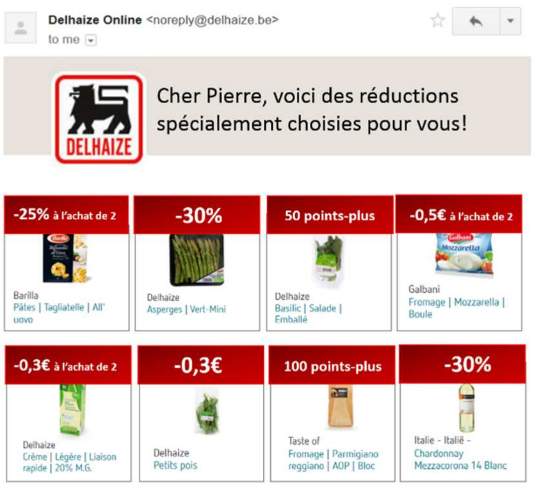
[montrez l'email recette_femme ou réduction_femme].



M : Nous vous demandons d'imaginer le scénario suivant : Vous vous appelez Pierre et vous êtes un grand amateur de la cuisine italienne et plus particulièrement de pâtes. Lorsque vous vous rendez dans un magasin Delhaize, vous achetez fréquemment des tagliatelles, des asperges, du basilic et du fromage italien.

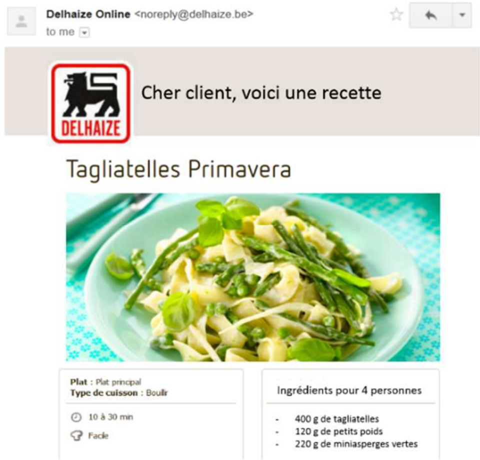
Comme membre du programme de fidélité Plus de Delhaize, vous recevez l'email suivant (veuillez lire attentivement cet e-mail afin de répondre aux questions qui vous seront posées par la suite):

[montrez l'email recette_homme ou réduction_homme].



(Scénario non-perso)
Comme membre du programme de fidélité Plus de Delhaize, vous recevez l'email suivant (veuillez lire attentivement cet e-mail afin de répondre aux questions qui vous seront posées par la suite):

[montrez l'email LP2 ou LP4].



	Items de la participation	Items adaptés
*Voici une série d'affirmations décrivant **votre comportement à la suite de cet e-mail**. Pour chacune de ces affirmations, veuillez indiquer dans quelle mesure vous êtes d'accord avec celle-ci ? [Cochez un chiffre de 1 à 7. « 1 » signifie que vous n'êtes pas du tout d'accord et « 7 » signifie que vous êtes tout à fait d'accord avec cette affirmation (une seule réponse possible)]*		
Follow info	Lorsque je reçois cet e-mail, je suis curieuse et je vais rechercher plus d'informations	
	Lorsque je reçois cet e-mail, je vais chercher des informations sur le programme de fidélité (sur internet ou dans le magasin)	
	Suite à cet e-mail, je vais me tenir au courant des offres que propose ce programme	
Chat	Je vais parler de cet e-mail avec mon entourage	
	Si cet e-mail me déçoit, je vais en parler à mon entourage	
	Si je suis satisfaite de cet e-mail, je vais recommander ce programme à mon entourage	
	Suite à cet e-mail, je vais essayer de convaincre mon entourage d'adhérer à ce programme	
A l'avenir, lorsque je reçois une communication liée au programme (un e-mail, une brochure, un flyer, etc.), si je reçois un nouvel e-mail comme membre du programme Plus,…		
Receptivity to info	Je vais l'ouvrir	
	Je vais le jeter directement à la poubelle	
	Je vais passer du temps à le lire	
Vous retournez par après faire vos courses chez Delhaize. Voici une série d'affirmations décrivant votre comportement dans votre enseigne Delhaize.		
Adapt purchase behavior	Je serai prêt(e) à acheter plus de produits pour bénéficier d'avantages supplémentaires offerts dans cet e-mail	
	Je serai prêt(e) à acheter d'autres produits que ce que j'avais initialement planifiés pour bénéficier d'avantages supplémentaires offerts dans cet e-mail	
	Je serai prêt(e) à acheter une autre marque pour bénéficier d'avantages supplémentaires offerts dans cet e-mail	
Card usage	Je présenterai ma carte de fidélité à la caisse, même si la caissière/le caissier ne me la demande pas	
	J'oublierai de sortir ma carte de fidélité en effectuant des achats dans cette enseigne (reverse)	
	Je penserai spontanément à sortir ma carte de fidélité lors de mon passage à la caisse	
	Je ne présenterai ma carte de fidélité à la caisse que si la caissière/le caissier me la demande	
Point redemption	Je ferai le nécessaire pour échanger mes points et recevoir la récompense	
	Si je reçois une récompense à utiliser sur mon prochain achat, je ferai un effort pour retourner dans cette enseigne afin d'en bénéficier	
	Lorsque j'aurai atteint un certain seuil de points, je me rendrai spécifiquement dans cette enseigne pour recevoir ma récompense	

Repensez à présent à l'email que je vous ai présenté il y a quelques minutes et ***n'oubliez pas que vous êtes Virginie ou Pierre.*** *Veuillez indiquer dans quelle mesure vous êtes d'accord avec les affirmations suivantes concernant cet e-mail.*

Personnalisation (nom)	- Cet e-mail m'est personnellement adressé - Cet e-mail est personnalisé pour moi - Cet e-mail m'est adressé spécifiquement

Personnalisation (contenu)	- Les offres figurant dans cet e-mail correspondent à ce j'ai l'habitude d'acheter - Dans cet e-mail figurent des offres adaptées à mes besoins - Cet e-mail satisfait mes besoins spécifiques
Hard	Monetary savings - Cet e-mail me permet de faire des économies - Cet e-mail me propose un avantage monétaire intéressant - Grâce à cet e-mail, je dépenserai moins lors de mes prochaines courses - Grâce à cet e-mail, je collecterai des points supplémentaires lors de mes prochains achats Convenience - Grâce à cet e-mail, je vais gagner du temps lors de mes prochaines courses - Cet e-mail me permet de faire moins d'efforts lors de mes prochaines courses
Soft	Exploration - Cet email m'a fait découvrir de nouvelles choses - J'ai appris des choses en lisant cet email - Grâce à cet e-mail, je découvre du nouveau contenu Entertainment - Le contenu de cet email me réjouit - C'est amusant de recevoir ce type d'email Recognition - Grâce à cet email, j'ai l'impression que Delhaize prend soin de moi - J'ai l'impression que je suis mieux traité(e) que les autres clients en recevant cet e-mail

A présent, voici quelques questions concernant **VOS préférences et habitudes d'achat dans le secteur alimentaire**, dans quelle mesure êtes-vous d'accord avec les affirmations suivantes *? (Attention, vous n'êtes plus dans le rôle de « Virginie » ou « Pierre »)*

Product preference	- J'achèterais les produits qui sont proposés dans l'e-mail - Les produits qui apparaissent dans l'e-mail correspondent à ce que j'aime manger - Les produits qui sont proposés dans l'e-mail me conviennent
Product category involvement	- En général, je suis quelqu'un qui considère les produits alimentaires comme importants - En général, je suis quelqu'un qui est intéressé par les produits alimentaires - En général, je suis quelqu'un pour qui les produits alimentaires signifient beaucoup
Relationship program receptiveness (Ashey et al., 2001 JBR)	En général, je suis susceptible de… - M'ajouter au listing d'e-mails d'une enseigne afin de recevoir des annonces, bons de réductions, etc. - Obtenir la carte de fidélité de l'enseigne - Renvoyer à l'enseigne un bon reçu afin de bénéficier des avantages - M'ajouter au listing d'adresses postales de l'enseigne afin de recevoir des annonces, bons de réductions, etc. - Obtenir une carte de crédit de l'enseigne
Deal proneness (adapté de Lichtenstein et al. 1990 JM)	- Je me sens bien lorsque j'échange des bons ou que je retire des avantages de promotions - J'ai l'impression de faire une bonne affaire lorsque j'échange des bons ou que je retire des avantages de promotions - Peu importe le montant, je prends du plaisir à utiliser des bons ou retirer des avantages de promotions

	- J'ai plus tendance à acheter dans des enseignes qui proposent des promotions - Les bons de réductions ou promotions m'ont poussé à acheter des produits que je n'ai pas l'habitude d'acheter - Au-delà de l'argent que je gagne, échanger des bons et tirer des avantages de promotions me donne un sentiment de joie

L'entretien touche à sa fin. Il nous reste quelques questions générales sur **votre profil**. Ces informations resteront confidentielles.

Quel âge avez-vous ? …

De combien de personnes se compose votre ménage, vous compris ? [Par ménage, on entend toutes les personnes qui vivent de manière régulière sous le même toit]

- ☐ *1 personne*
- ☐ *2 personnes*
- ☐ *3 personnes*
- ☐ *4 personnes*
- ☐ *5 personnes*
- ☐ *6 personnes et plus*

Quel est votre plus haut diplôme ?

- ❍ Diplôme primaire (1)
- ❍ Diplôme secondaire inférieur (2)
- ❍ Diplôme secondaire supérieur (3)
- ❍ Diplôme supérieur non-universitaire (4)
- ❍ Diplôme supérieur universitaire (5)
- ❍ Diplôme post-universitaire (6)

ESSAY 3:

ARE LOYALTY PROGRAMS SHAMS?

A STUDY ASSESSING HOW LOYALTY PROGRAMS CAN ENHANCE LOYALTY TO THE COMPANY RATHER THAN TO THE PROGRAM.

Note: this essay is co-written as first author by the doctoral candidate, in collaboration with Yuping Liu-Thompkins (Old Dominion University, USA)

An earlier version of this essay has been presented at the *Center of Excellence on Consumers and Marketing Strategy Doctoral day* (2017 - Louvain-la-Neuve, Belgium)

The target journal for this essay is the **Journal of Marketing**

Abstract

Loyalty programs (LPs) can be considered as shams in the sense that they produce liabilities rather than assets. They can foster customers' short-term loyalty to the program instead of developing long-term company loyalty. The objective of this research is understand how LPs can create company loyalty rather than program loyalty. With two different studies, we investigate how to decrease the gap between program loyalty and company loyalty. In a first study, we propose that some behavioural patterns, based on LP members' speed of earning loyalty points and redemption rate, will have an impact on the gap between program loyalty and company loyalty. While a high speed of earning (combined with low redemption) or a high redemption rate (combined with a low speed of earning) will reduce this gap, a high speed of earning combined with a high redemption rate will increase this gap. In a second study, we investigate how LP-related communication can make customers more company loyal than program loyal. Our findings show that brand-related communication combined with monetary incentives will increase the gap between program and company loyalty. Our research adds to a richer understanding of the effects of customers' behaviours on different types of attitudes (program loyalty and company loyalty) and yields important managerial insights on how to communicate with LP members.

Keywords: loyalty programs, program loyalty, company loyalty, direct communication

Introduction

Loyalty programs (LPs) have become ubiquitous in the marketplace and are used as a key marketing tool to enhance customer loyalty. Many researchers have studied LPs extensively but their effectiveness remains debatable. Some researchers found positive effects (Keh and Lee 2006), while others have not found any effects of LPs (Sharp and Sharp 1997). Shugan (2005) considers them as shams because they produce liabilities (e.g.; promises of future rewards or deferred rebates) rather than assets. Companies should consider customers as an asset and create marketing strategies that produce enduring assets (Shugan 2005). Some authors argue that LPs provide short-term revenue rather than constructing a real loyal customer base (Dowling and Uncles 1997). To create assets, LPs need to develop a loyal customer base with the expectation of greater future revenue. They should make the customer loyal to the company in the long term. Dowling and Uncles (1997) propose that LPs are unlikely to alter customer behaviour fundamentally, especially in established competitive markets. LPs are considered as liabilities because they create customers' loyalty to rewards rather than develop long-term relationships.

Previous research suggests that customers differentiate between loyalty to a company and loyalty to a program (Evanschitzky et al. 2012; Yi and Jeon 2003) and that LPs may increase loyalty toward the program rather than loyalty toward the company (Dowling and Uncles 1997; Meyer-Waarden 2007; Yi and Jeon 2003). But, LPs have also been found to increase company loyalty by creating switching costs and increase operational profit by avoiding price competition (Evanschitzky et al. 2012; Kang et al. 2015).

The objective of this research is to better understand how LPs can produce assets by creating long-term relationships instead of making customers only loyal to the program and provide liabilities to the company. Across two different studies, we will investigate how companies can use their LPs to increase company loyalty rather than program loyalty. More specifically, in a first study, we will identify the behavioural patterns that reduce the gap between LP and company loyalty. *"Loyalty programs are long-term-oriented programs that allow customers to accumulate some form of program currency, which can be redeemed later for free rewards*" (Liu and Yang 2009, p. 94). The basic idea underlying LPs is thus to propose to customers to collect points and redeem them to get rewards. Based on this, we will assess how behaviours such as speed of collecting points and redemption rate will be likely to decrease (or increase) the gap between attitudinal program loyalty and company loyalty. In a second study, we will examine what type of communication is more likely to reduce this gap. With the growth and evolution of Internet and technology, companies increasingly communicate by e-mail with their LP members. It constitutes an easy and affordable marketing tool that allows companies to communicate with their LP members. With the help of a field experiment, the purpose of our second study is to investigate what type of e-mail will be likely to impact the gap between company loyalty and program loyalty.

This research responds to a call for academic insights on the investigation of whether customers become loyal to the LP or the retailer running the LP (Dorotic et al. 2012) and the exploration on whether and under what conditions short-term behavioural loyalty fosters or dampens long-term attitudinal loyalty (Breugelmans et al. 2015). Our studies contribute to both marketing research and practice in three different ways. First, we investigate *the gap* between LP loyalty and company loyalty by considering them together as an outcome variable. Previous research has mainly investigated both loyalties separately by investigating what their antecedents are and how LP loyalty affects company loyalty. Yi and Jeon (2003) investigated whether the LP is perceived as valuable to the customer and whether it actually contributes to building brand loyalty. Evanschitzky et al. (2012) assessed how company trust, commitment and satisfaction impact company loyalty and how social benefits, program value and special treatment influence program loyalty and the effects of both loyalties on behavioural intentions.

Kang et al. (2015) studied how perceived benefits impact program loyalty, which in turn influences company loyalty. Second, despite the fact that attitudes and behaviours are closely linked (Fishbein and Ajzen 1975), few authors have studied the effects of behaviours on attitudes in an LP context. The present research tries to fill in this gap by exploring the relationship between customers' attitudes and behaviours in the context of LPs. Third, we identify, based on behavioural patterns, how to decrease the gap between program and company loyalty. In this database marketing era, many companies are in the possession of a lot of information about their customers but don't have enough resources to analyse their databases and adapt their marketing strategy in line. We provide them insights, based on easily observable data, on how to identify their disadvantageous customers that are loyal to program but not to the company. Furthermore, this study gives them recommendations on how they can reduce the gap between company loyalty and LP loyalty by sending e-mails to their LP members. E-mails are widely used by companies, but only few researchers have investigated their outcomes on loyalty in the context of LPs (Dorotic et al. 2014; Verhoef 2003). We provide companies with easy recommendations on how to decrease the gap between company and program loyalty. In other words, how to convert LP members into a real loyal customer base with the help of direct communication.

Theoretical background

Program loyalty and company loyalty

LPs are a long-term direct marketing tool with as objective increasing or at least maintain customer loyalty (Evanschitzky et al. 2012). They create switching barriers over the long run that impact customer loyalty positively (Patterson and Smith 2003). The incentives offered by the LP elicit loyalty to the program (deal loyalty) which in turn can create loyalty to the core product or brand (company loyalty) (Rothschild and Gaidis 1981; Yi and Jeon 2003). Because it is generally accepted that loyalty can be divided among a number of brands, which is called polygamous loyalty (Ehrenberg et al. 1990), it is a reasonable assumption that loyalty could be divided into program and company loyalty (Yi and Jeon 2003). Both concepts are generally seen as positive outcomes for companies as program loyalty is generally a good predictor of company loyalty (Yi and Jeon 2003). Indeed, some authors suggested that LPs can create loyalty to the program that will transform into long-term loyalty towards the company (Yi and Jeon 2003). But, other researchers state that members might develop loyalty towards the program without necessarily increasing their loyalty towards the company (Dowling and Uncles 1997). Customers can continue purchasing from a particular provider and develop loyalty towards the rewards offered by the program without being loyal to that particular provider. If some elements of the LP become less attractive, it may well be that customers will not stay in a relationship with that particular company. Program loyal customers will not automatically be loyal to the company. Managers should be careful with customers that are highly program loyal without being loyal to the company, because they might be short-term loyal toward the rewards rather than sustainably loyal to the company.

Because they are different in nature, the two loyalties need to be assessed and managed separately. In line with Yi and Jeon (2003), we define attitudinal program loyalty as having a positive attitude towards the benefits of the loyalty program and attitudinal brand loyalty as having a positive attitude toward the company brand.

Attitudinal program loyal customers derive benefits from participating to the program and continue purchasing from the company to perceive more benefits. Their actual purchase behaviour in the company is positively impacted but they don't necessarily develop favourable attitudes towards that company (Dowling and Uncles 1997). Some argue that program loyalty can also have an affective, non-economic component. LP members may truly enjoy to collect and redeem points (Johnson 1999), but this affectivity does not automatically transfer to the company.

Attitudinal company loyalty is more emotional in nature, since it is driven by the quality of the relationship with a company. It is more dependent on customers' emotional states and represents the favourable attitudes a customer develops towards a company. It incorporates the underlying psychological state that reflects the affective nature of the relationship between the customer and the company (Evanschitzky et al. 2012).

The two attitudinal constructs are conceptually distinct and are not equivalent predictors of customers' behaviours towards the company. Company loyalty a strong predictor of customers' share of wallet, which essentially measures the attractiveness of the company, while program loyalty is more important predictor of actual purchase behaviour, but less so preference (Evanschitzky et al. 2012). Company loyalty predicts better the customer's share of visits, which is a measure of preference towards a retailer (Evanschitzky et al. 2012).

While previous studies showed how the two constructs are linked (Kang et al. 2015; Yi and Jeon 2003) and how they influence customers' behaviours and attitudes towards a company (Evanschitzky et al. 2012), the aim of our study is to provide insights on what makes customers more company loyal rather than program loyal. The first objective (addressed in study 1) is to identify the behavioural patterns that minimize the gap between program and company loyalty. The second objective (addressed in study 2) is to investigate what type of communication will decrease this gap.

Study 1

Effects of loyalty programs on customers' purchase behaviour

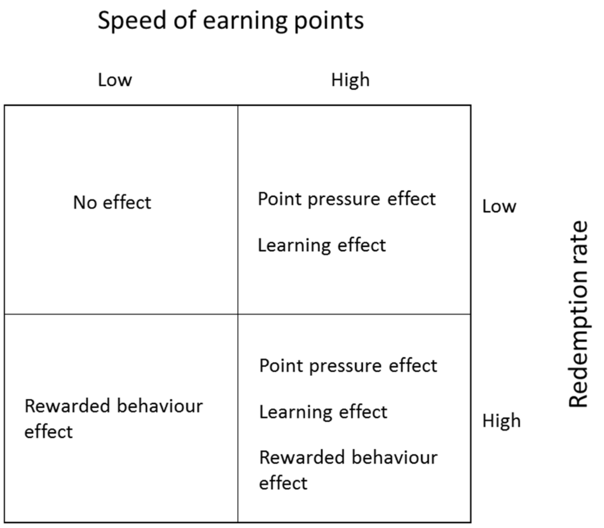
Loyalty programs can increase customers' purchase behaviour through three mechanisms (Drèze and Nunes 2011; Taylor and Neslin 2005). Previous research found significant point pressure and rewarded behaviour effects on LP members' purchase level (Dorotic et al. 2014; Taylor and Neslin 2005). The point pressure effect is the short-term customer's increased purchase level in an effort to earn the reward. This effect is due to a combination of customers' switching costs and future orientation. Forward-looking customers are anticipating and don't want to purchase from a different retailer because they could lose the opportunity to build their points level. The increased level of purchases is attributable to the pressure of collecting a sufficient of points for a reward. This point pressure effect exists even when members are not pressured with point expiration (Dorotic et al. 2014).

Rewarded behaviour effect occurs when customers increase their purchase level in the long-term after they have received a reward. This effect can result from either from behavioural learning reinforcement or positive affect resulting from the reward. Behavioural learning posits that customers are more likely to re-patronize when behaviour is rewarded. The customer becomes conditioned to repeat his purchase behaviour, simply because of the coupling of the action with the reward. However, rewarded behaviour can also result in positive feelings toward the company that translate into higher patronage. The rewards can produce positive attitudes, which translate into increased purchase intentions and behaviour (Taylor and Neslin 2005).

Reward redemption can also lead to procedural and self- learning effects. More specifically, point redemption, and thus when a customer experiences success, it can enhance proficiency because it provides clear information regarding how to proceed the next time (procedural learning) and strengthens his beliefs in self-efficacy (self-learning) (Drèze and Nunes 2011). Self-efficacy is referring to his/her perception of how well he can execute various courses of actions to deal with prospective situations (Bandura 1982; Drèze and Nunes 2011). Reward redemption will lead to an increase in effort exhibited in consecutive attempts to reach a goal. Rewards can typically work as "recurring goals" because, once customers have received a reward, they can serve as a goal again. Customers believe that attaining a reward reflects their ability to coordinate their efforts and do whatever is needed to attain a reward again. Progress towards a reward enhances perceptions of self-efficacy and successfully completing the task provides an added boost. If the reward is difficult enough to attain, such that one redemption does not guarantee a next redemption, customers will reassess their self-efficacy after each redemption. Therefore, successful redemption should lead to a reassessment and, in turn, an increase in the base level of purchases. In other words, self-efficacy will lead to a reassessment of the likelihood of attaining a reward, which will result in reoccurring assessments of self-efficacy (Drèze and Nunes 2011) and increased purchases.

Figure 1 shows the different LP effects depending on customers' behavioural patterns with LPs, more specifically, speed of earning points and redemption rate.

Figure 1: LP effects depending on customers' behavioural patterns with LPs



Customers with a low speed of earning and low redemption rate, will be not be subject to any of the effects presented. When speed of earning is high but redemption rate is low, customers will experience point pressure and learning effects because they collect many points and are thus more likely to be close to the goal of a reward. Customers with a high redemption rate but a low speed of earning will be subject to a rewarded behaviour effect because they are redeeming most of their points. As their speed of earning is low, point pressure effect will tend to very low or absent. Finally, customers earning points at a high speed and redeeming the majority of them will be subject to point pressure, rewarded behaviour and learning effects.

The objective of this study is to investigate to what extent these behavioural effects induced by LPs will affect customers' attitudinal loyalty towards the company and towards the program. We propose that behavioural patterns characterized by high redemption rates *or* a high speed of earning will decrease the gap. However, a high redemption rate combined with a high speed of earning will increase the gap.

Hypotheses development

Customers collecting many loyalty points will experience point pressure because they are more likely to approach a reward than customers with a low speed of earning points. When a point pressure effect occurs, LP members have an increased purchase level due to the switching costs created by the LP. These forward-looking customers increase their purchases in an effort to earn more points and get more rewards. Effort is defined as any inconvenience inherent in complying with the program requirements, such as when consumers make a special effort to buy at a particular store or purchase more than they would have bought otherwise (Kivetz and Simonson 2002). If these customers have a high purchase level without any point redemption activity, it is not possible to assign this behavioural effort to the attitudinal desire of being rewarded. Even though it repeatedly exposes customers to the point pressure effect, their effort is not conditioned by the actual incentive. According to Henderson et al. (2011), repeat purchases without the correspondent attribution to LP incentives can reduce instrumentality of behaviour and increase habit-based loyalty. In other words, the customers' behaviour with high speed of earning but low redemption is driven by pure goal pursuit with minimal incentive from the program. The high purchase behaviour can not be allocated to the positive attitude towards the incentives. The self-efficacy learning subsequent to the behaviour also boosts consumers' confidence in themselves, which again can lead to positive affect towards the company. This leads to the following hypothesis:

> H1: A high speed of earning combined with a low redemption rate will reduce the gap between program loyalty and company loyalty.

Customers redeeming numerous of their loyalty points are subject to reward redemption effects. Reward redemption induces positive post-reward effects by reinforcing attitudinal attachment, which then affects purchase behaviour (Dorotic et al. 2014). Moreover, previous research found that reward benefits predict attitudinal loyalty and incremental sales (Steinhoff and Palmatier 2016). When customers' purchase level cannot be assigned to the *anticipation* of obtaining rewards (no point pressure effect), it means that they did not patronize *specifically* to earn more rewards. Their purchase behaviour is thus not due to the will to earn more rewards. In this case, the rewarded behaviour effect is the main effect at work but with relatively small devotion of effort. The main rationale underlying our hypothesis is the affect transfer. When a reward is associated with a positively evaluated object, affect transfer will occur. Affect transfer is the process wherein people's pre-existing affect associated with one object is transferred to a closely related object, toward which people may not hold prior affect (Shimp 1981). Because rewarded behaviour effect is a positive reinforcement of behaviour and generates positive affect, it could be transferred from the program to the company. This leads to the following hypothesis:

> H2: A high redemption rate combined with a low speed of earning points will reduce the gap between program loyalty and company loyalty.

Whereas point pressure and learning effects or rewarded behaviour effects seem to reduce the gap between company loyalty and program loyalty, we propose that the *combined result* of all three effects will increase this gap. When high point pressure and high point redemption effects appear together, the high speed of earning will occur with clear instrumentality of the LP's incentives. This high purchase level combined with high redemption behaviour makes customers highly conscious of the incentive that they are striving towards. Moreover, the recurrent goal learning, which refers to refers to a *conscious* learning about oneself (Drèze and Nunes 2011), that these customers are subject to, will make them highly conscious about their behaviours. This customer's consciousness is less likely to facilitate the formation of attitudinal program-independent loyalty. Retrieving incentive associations from memory will interfere with the access to other associations about the company (Roehm et al. 2002). We thus hypothesize the following:

H3: A high redemption rate combined with a high speed of earning will increase the gap between program loyalty and company loyalty.

Methodology

The data

The data used in this study came from a leading petrol provider's LP. We combined survey data from LP members with data from that company's customer database. The LP allows customers to earn points for every liter of fuel tanked. Each time LP members take fuel, they have to validate their earned loyalty points inside the shop. Customers can redeem their points at any moment to earn a variety of rewards including cash discounts on fuel, movie theatre tickets or home appliances at reduced price. In addition, if LP members take fuel and use their card at least once a month, they benefit from a free car assistance. This program was chosen because it is a very popular program in the fuel industry. It provides us with a wide range of customers with diverse profiles, including differing speed of earning and redemption rates.

Customer survey data were collected by an online survey using Qualtrics software. An e-mail was sent out by the company to all members of the program. The e-mail included a link inviting to participate to the survey. The survey included questions about attitudes and behaviours towards the program and the company as well as specific customer-characteristic questions. Attitudinal program loyalty was assessed by using the scale of Yi and Jeon (2003). To measure attitudinal company loyalty, a scale was adapted from Evanschitzky et al. (2012). Satisfaction with the company was measured based on the scale of Ashley et al. (2011) whereas satisfaction with the LP was measured using the scale of Mimouni-Chaabane and Volle (2010). Constructs were measured on 7-point agreement scales and are presented in Appendix 1.

The company provided us with a database containing data on the behaviour of the LP members who answered to the questionnaire for the 13 months preceding the survey. The data included, for each transaction, the number of liters tanked, the number of points received, the point level and the number of points redeemed. The company also provided us with the length of each member's membership. To assess the LP members' speed of earning properly, we used customers validating their points at every visit and removed those not visiting the store to earn points at every visit. Matching the data sets generated a final sample of 1786 LP members.

Measurement of the dependent variable

Difference scores are often used as measures of constructs in consumer research. A difference score involves the subtraction of one measure from another to create a measure of a distinct construct (Peter et al. 1993). To evaluate the gap between company loyalty and LP loyalty, a difference score between LP loyalty and company loyalty was used. The higher and positive this variable tends to be, the more customers are loyal towards the program rather than towards the company. When this variable is negative, LP members are more company loyal than program loyal.

Model overview

To test our hypotheses, we modelled the impact of LP members' speed of earning and redemption rate on our dependent variable "LP loyalty - Company loyalty" as in Equation 1:

$$LoyLP - LoyComp = \beta_0 + \beta_1 LogSpeed + \beta_2 Red + \beta_3 Speed\ x\ red + \beta_4 Rel + \beta_5 SatComp + \beta_6 SatLP + \beta_7 Card + \beta_8 Age + \beta_9 Gen + e$$

where

- LoyLP-LoyComp = difference score between LP loyalty and company loyalty
- Speed = speed of earning
- Red = redemption rate
- Rel = relationship length
- SatComp = company satisfaction
- SatLP = LPsatisfaction
- Card = possession of a professional fuel card
- Age = age of the customer
- Gender = gender of the customer
- e = the residual term.

The first variable, speed of earning, represents the number of points earned per month and is calculated as the total number of points earned in 13 months divided by the number of membership months in this period. Because a high speed of earning is expected to reduce the gap between LP loyalty and company loyalty, the effect of this variable should be negative on LoyLP-LoyComp (H1). The second variable, redemption rate, represents the number of points redeemed during the period. The impact of this variable on our dependent variable is expected to be negative as proposed in our second hypothesis. The Speed x Red interaction represents high speed of earning combined with high redemption rates. As stated in H3, this interaction term is expected to have a positive effect on the dependent variable. We included several control variables in our model. Rel represents the relationship length between the LP member and the company. It is computed as the number of months since the customer is member of the LP. SatComp and SatLP represent the satisfaction with the company and the LP respectively. Three other customer-specific control variables were included. Card represents the customer's possession (or not) of a business fuel card. When this variable is equal to 1, customers are considered as business clients. Age and gender were also included as control variables. Table 1 presents the descriptive statistics and correlations of the key variables.

Table 1: Descriptive statistics

	Min	Max	Mean	SD	1	2	3	4	5	6	7	8	9
1 LoyLP-LoyComp	-5,50	5,33	-0,43	1,15	1,00								
2 LogSpeed	-1,47	8,09	2,72	0,91	-,073**	1,00							
3 Red	0,00	1,00	0,05	0,19	-0,04	,316**	1,00						
4 Rel	0,90	3,78	3,04	0,51	-,112**	-,100**	,101**	1,00					
5 SatComp	1,00	7,00	5,76	0,84	,046*	,056*	-0,02	-0,03	1,00				
6 SatLP	1,00	7,00	5,84	0,98	,277**	0,02	-,049*	-,054*	,622**	1,00			
7 Card	1,00	2,00	1,49	0,50	,084**	-,227**	-,087**	-,056*	0,04	0,04	1,00		
8 Age	4,00	87,00	50,96	12,10	-,062**	-,172**	-0,04	,285**	,097**	,064**	,080**	1,00	
9 Gender	1,00	2,00	1,77	0,42	0,00	,151**	,077**	,110**	-,093**	-,091**	-0,03	,111**	1,00

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Model estimation

Because speed of earning points may be driven by the loyalty to the program and the company, the speed variable may be endogenous. In our model, endogeneity could be caused by a loop of causality between our dependant variable and speed of earning points. Indeed, loyalty may explain the customers' speed of earning. To address this issue, we used an instrumental variable, whose requirements are that it can explain speed of earning but have a minimal correlation with the original model residual (Wooldridge 2002). We used yearly total fuel consumption as an instrumental variable. This variable was measured in the survey as the total number of times a customer took fuel in a year, no matter the fuel provider. Following Wooldridge's (2002) recommended two-stage least squares approach, we regressed the instrumental variable together with the other independent variables from the main model on speed of earning as shown in Equation 2:

$$Speed = \beta_0 + \beta_1 totalfuel + \beta_2 Red + \beta_4 Rel + \beta_5 SatComp + \beta_6 SatLP + \beta_7 Card + \beta_8 Age + \beta_9 Gen + e$$

In the second stage, we used the predicted values for speed of earning instead of the original values to estimate the main model (Leenheer et al. 2007; Liu and Yang 2009). Logarithmic transformation of Speed is used to compress the large scale of speed of earning. Furthermore, to eliminate collinearity among the predictor variables in the model, we mean-centered speed of earning and redemption rate.

Results

Table 2 shows the results for both stages of regression. The R-square for the first-stage model was .32. As expected, the total fuel consumption had a significant positive effect on speed of earning (β=.339, p=.01). This suggests that high fuel consumption predicts the number of points earned by the customer.

Table 2: Model estimates

First stage			Second stage		
Variables	**Coefficients**	**t-values**	**Variables**	**Coefficients**	**t-values**
Totalfuel	-.339***	-26.262	Speed	-.165*	-1.917
Red	.522***	16.767	Red	-.597*	-1.731
Rel	-.131***	-.4.982	Speed x Red	.784***	2.669
SatComp	.088***	4.749	Rel	-.207***	-3.727
SatLP	-.019$^{n.s.}$	-1.254	SatComp	-.266***	-6.608
Card	-.237***	-9.412	SatLP	.478***	14.246
Age	-.005***	-4.227	Card	.114*	1.896
Gen	.205***	6.833	Age	-.007***	-3.012
			Gen	.151*	2.209
Adjusted R^2	.323		Adjusted R^2	.123	

*p ≤ .10
**p ≤ .05
***p ≤ .01
n.s. = not statistically significant

The adjusted R-square for the second-stage model was .12. In support of H1, the results showed a significant and negative coefficient for speed of earning ($\beta=-.165$, $p<.10$). This indicates that a high speed of earning will reduce the gap between program loyalty and company loyalty. Supporting H2, the coefficient for redemption rate was also negative and significant ($\beta=-.597$, $p<.10$), suggesting that a high redemption rate will also reduce the gap between program loyalty and company loyalty. Although the separate effects of speed of earning and redemption rate are negative, H3 predicted that a high speed of earning combined with a high redemption rate will have a positive effect on our dependent variable, and thus increase the gap. We captured this interaction with the speed x red term. In line with our prediction, the interaction term was positive and significant ($\beta=.784$, $p<.01$), suggesting that a high speed of earning combined with a high redemption rate tends to increase the gap between program loyalty and company loyalty.

Concerning the control variables, the negative and significant coefficients of company satisfaction ($\beta=-.266$, $p<.01$) and the length of the relationship ($\beta=-.207$, $p<.01$) suggest that satisfaction with the company and the duration of the relationship with the company will reduce the gap. On the other hand, LP satisfaction tends to increase the gap ($\beta=.478$, $p<.01$). This is consistent with the well-known satisfaction-loyalty relationship demonstrated in many previous research (e.g. Mägi 2003).

Discussion

Study 1 indicates that LP members' speed of earning points and redemption rate can predict the difference between program loyalty and company loyalty. Results are in line with our predictions. In support of H1, LP members with a high speed of earning but low redemption rate will be more likely to be company loyal than LP loyal. Their high speed of earning appears to be attributable to a habit-based loyalty. Indeed, in the absence of point redemption, the purchases are not attributed to LP incentives and reduce the instrumentality of behaviour that will increase habit-based loyalty (Henderson et al. 2011). Moreover, the self-efficacy learning effect seems to lead to positive feelings towards the company. Supporting H2, LP members with a high redemption rate will be subject to a rewarded behaviour that reduces the gap between program loyalty and company loyalty. It seems that rewarded behaviour generates positive affect that is transferred to the company. H3 predicted that high redemption rates combined with a high speed of earning will increase the gap between program loyalty and company loyalty. Our results also confirmed this hypothesis. Customers with a high speed of earning and high redemption rate are highly conscious about the LP's incentives and this interferes with program-independent associations in their memories (Roehm et al. 2002).

Study 2

Nowadays, many companies have chosen to utilize direct e-mailing to complement their LP strategy. They use direct mailing campaigns to communicate and thereby build relationships with their LP members. In line with Gázquez-Abad et al. (2011), we define direct e-mailing as an addressed, written, commercial message that is delivered by an online service. In the context of LPs, previous research showed that direct mailings have a positive impact on customers' behaviour (Dorotic et al. 2014). The capability of designing effective direct mails is considered as a key success factor in direct marketing (Feld et al. 2013). In this study, we will investigate what type of content companies should use in the context of LP direct mailing communication.

Previous research on LPs has commonly differentiated LP rewards according to relatedness to the focal company (direct versus indirect) and their monetary aspect (hard versus soft) (Dorotic et al. 2012). Direct rewards relate to the company (rewards supporting the value proposition of the company) whereas indirect rewards have no linkage with the product or service offered by the company (Dowling and Uncles 1997; Keh and Lee 2006). Rewards may also be monetary or non-monetary. Monetary or hard rewards consist of tangible rewards such as price discounts or vouchers. Whereas non-monetary or soft rewards, include special privileges such as services, special communications or entertainment (Bridson et al. 2008). Previous studies have shown that reward types play a significant role in customers' attitudinal responses to LPs (Roehm et al. 2002; Yi and Jeon 2003). This study investigates on what type of LP rewards companies should communicate on.

Hypotheses development

There are two possible explanations why brand-related monetary rewards will decrease company loyalty. First, tangible rewards can undermine customers' long-term company loyalty. This can occur because the elaboration of associations in memory is attracted to the incentive at the expense of the company. LP-related price promotions might increase members' sensitivity to rewards, but may divert attention away from the company (Dorotic et al. 2010). Associations with the promotions may gain in accessibility and interfere with access to brand associations (Roehm et al. 2002).   Second, due to a combination of the trivialization effect and availability valence theory, brand related price promotions can lead to negative attitudes toward the company   The trivialization effect postulates that a financial acknowledgement can lead to less positive reactions than offering a verbal acknowledgement (acknowledgement without a monetary benefit). Verbal acknowledgement is evaluated by the customer to verbal gratitude expression whereas financial acknowledgement is evaluated both to verbal norms and customers' monetary expectations (Liu et al. 2015). The availability valence theory states that individuals' attitudinal response to a persuasive message is determined by the favourableness or valence (Tietje 2002). If promotional communication about a brand is not reaching customers' monetary expectations, it will be perceived negatively and consequently provide unfavourable information that leads to less positive evaluations about the company.   In conclusion, brand-related monetary e-mails might interfere or have a negative effect on attitudes towards the company. As the most important driver of LP value perception is the monetary benefit, monetary rewards should increase LP loyalty. Hence, we hypothesize the following:

H4: Brand-related mailings containing monetary incentives will increase the gap between program loyalty and company loyalty.

Methodology

Research design

To investigate the effect of an e-mailing campaign on the gap between LP loyalty and company loyalty, we conducted a field experiment in collaboration with the same fuel provider as in study 1. We employed a 2 x 2 between mixed between-subjects design with a control group. It is a factorial design that includes both between and within subjects' variables. The attitudes of the respondents were measured at two points of time. In this case, it is a pre-post-control design. All subjects are given a pre-test and a post-test, and these two together serve as a within-subjects factor. Respondents are also divided into five groups, among which four groups are the focus of the experiment (i.e., experimental group), and one group is a control group. The experimental group was exposed to different conditions and served as between-subjects factors (Mitchell 2010) .

To ensure that the effects measured in our experiment were attributable to the e-mails sent in our experiment, the company constructed a database of customers who were never contacted before by e-mail by the company. The database of these LP members was divided into four different e-mail groups and one control group, not receiving any communication from the company.   In total, the company sent out four e-mails to their LP members. At $t_{0,}$ a first survey was used to measure attitudinal LP and company loyalty (corresponding with the survey of study 1). One week later, an e-mail containing our manipulations were sent out to the respondents. A second e-mail with the same manipulation and content (but a different mail subject) was sent one week after the first e-mail. And, at $t_{0+4weeks}$, we asked the respondents to answer to the same survey for a second time. To test our hypotheses, we manipulated the monetary aspect and the brand relatedness of the e-mail. The e-mails are presented in Appendix 2. Brand related monetary mails contained information about a free car assistance offered by the company and the amount that customers can save with this car assistance. In the brand-related non-monetary e-mails, the pecuniary information was withdrawn and replaced by advice to travel safely. In the non-brand related condition, the monetary e-mails contained a price discount on movie theatre tickets (in a major movie theatre company) while in the non-monetary condition, no price discounts were offered but a movie summary was presented. In total, 286 LP members responded to survey 1, opened at least one e-mail and responded to survey 2. Because access to favourable brand associations is important in fostering loyalty (Roehm et al. 2002), we removed all respondents disliking the brands presented (score <4). Indeed, if a priori, customers have unfavourable associations with the brands presented in the e-mail, it will be impossible to foster loyalty. This resulted in a useable database of 150 respondents with a mean age of 52 and whom 80% were men.

Model overview

We modelled the impact of the different mailings on the same dependent variable as in study1, but measured in the second survey (after the e-mails were sent) as shown in Equation 2:

$$\begin{aligned} LoyLP_2 - LoyComp_2 \\ &= \beta_0 + \beta_1(LoyLP_1 - LoyComp_1) + \beta_2 monet + \beta_3 brand \\ &+ \beta_6 monet\ x\ brand + \beta_7 Rel + \beta_8 Card + \beta_9 Age + \beta_{10} Gen + e \end{aligned}$$

where

- $LoyLP_2$ – $LoyComp_2$ = difference score between LP loyalty and company loyalty measured in $T_{0+4weeks}$
- $LoyLP_1$ – $LoyComp_1$ = difference score between LP loyalty and company loyalty measured in T_0
- Monet = monetary condition
- Brand = brand-related condition
- Rel = relationship length
- Card = possession of a professional fuel card
- Age = age of the customer
- Gender = gender of the customer
- e = the residual term.

The dependent variable represents the difference score between LP loyalty and company loyalty measured after the customers have received mails. The first independent variable, $LoyLP_1$ – $LoyComp_1$, reflects the same measure, but computed based on the first survey, before customers receive any e-mail from the company. Monet represents the monetary scenario; brand represents the brand related condition. The hard x brand term represents the interaction between hard and brand-related. According to H4, the coefficient of this term should be positive.

Results

Manipulation check. The results of our manipulation check supported the effectiveness of our treatment. To test the monetary aspect of our e-mails, we asked respondents the perceived monetary benefits related to the e-mail they received. Perceived monetary benefits were measured in survey 2 on a 3-item scale adapted from Mimouni-Chaabane and Volle

(2010). Perceived monetary benefits were higher in the monetary condition than in the non-monetary condition ($M_{monetary}$=4.85, SD=1.28 and $M_{nonmonetary}$=4.48, SD=1.31; F=3.901, sig.=0.05). In line with Yi and Jeon (2003), no manipulation check was performed on brand relatedness.

The results of our regression are shown in Table 3. The R-square is equal to .289.

Table 3: Model estimates

Variables	**Coefficients**	**t-values**
$LoyLP_1$-$LoyComp_1$	.516***	7.489
Monet	-.272$^{n.s.}$	-1.192
Brand	-.315$^{n.s.}$	-1.460
Monet X Brand	.588**	2.011
Rel	-.034$^{n.s.}$	-0.217
Card	.270*	1.879
Age	-.008$^{n.s.}$	-1.322
Gen	-.121$^{n.s.}$	-0.681
Adjusted R^2	.289	

*p ≤ .10
**p ≤ .05
***p ≤ .01
n.s. = not statistically significant

As shown by the positive and significant coefficient of the interaction between hard and brand (β=.566, p<.05), our results confirmed H4 stating that offering monetary incentives in brand related communication will increase the gap between program loyalty and company loyalty.

Discussion

Our second study investigated the effect of reward communication in direct e-mail on the difference score between program loyalty and company loyalty. Confirming H4, when companies communicate on monetary brand-related rewards, it will increase the gap between program and company loyalty. The associations with the promotions made in memory will interfere with the cue-compatible associations with the brand.

General discussion

Implications for marketing literature

In a quest of creating a loyal customer base, companies commonly use LPs as a direct marketing tool. However, previous research considered LPs as shams because they can create liabilities rather than assets (Shugan 2005). Indeed, LPs can make customers loyal to the LP rather than building relationships with customers. Customers only loyal to the LP will constitute a liability for the company as their loyalty is based on economic incentives. The LP will create liabilities by promising future rewards instead of creating assets, in other words, a real long-term loyal customer base. Existing studies investigate the antecedents and outcomes of both loyalties and how they are linked (Evanschitzky et al. 2012; Yi and Jeon 2003). Our research contributes to literature by studying how to decrease the gap between program loyalty and company loyalty.

The findings of our first study reveal that different behavioural patterns with LPs can predict the magnitude of this gap. More specifically, customers with a high speed of earning (subject to point pressure effect and learning effect) or with a high redemption rate (subject to rewarded-behaviour) will tend to be more attitudinal company loyal than LP loyal and thus, create assets rather than liabilities. In contrast, customers with a high speed of earning and a high redemption rate (point pressure, rewarded behaviour and learning effects occurring together), will be more likely to be LP loyal than company loyal and thus create liabilities rather than assets for the company. Our research confirms previous studies stating that LP points accumulation and redemption rates differ from one individual to another and allow customers to be segmented (Frisou and Yildiz 2011). Our findings contribute to the LP literature by showing how these accumulation and redemption rates will impact the gap between program loyalty and company loyalty. Moreover, our research adds on previous LP literature by studying the largely unexplored but crucial link between behaviours and attitudes. In the context of LPs, only a few researchers have studied behavioural and attitudinal data together. Leenheer et al. (2007) assessed the relationship between attitudes towards the LPs and share of wallet. Demoulin and Zidda (2009) investigated how behavioural and attitudinal loyalty drive LP adoption likelihood and timing. Evanschitzky et al. (2012) demonstrated the impact of attitudinal program and company loyalty on future sales. We show, based on LP members' behavioural data, what their attitudes towards program and company tend to be.

In our second study, we show that direct communication in the context of LPs can affect the gap between program loyalty and company loyalty. Previous studies demonstrated that reward types play a significant role in predicting attitudes of customers (Roehm et al. 2002). For example, Yi and Jeon (2003) found that, under high involvement, direct (brand-related) rewards are more effective in building program's value. Moreover, researchers showed that monetary rewards might be deficient as a tool to increase company loyalty (Tietje 2002). Our findings showed that communicating on brand-related monetary rewards will increase the gap between program loyalty and company loyalty. This adds on previous studies showing that promotions may divert attention away from the company (Dorotic et al. 2014) and interfere with access to brand associations (Roehm et al. 2002). It also supports the previous finding that, according to the trivialization effect, financial acknowledgement can lead to less positive attitudes than verbal acknowledgements (Liu, 2015).

Implications for marketing practice

Our findings suggest that it is easily possible for companies to evaluate their LP members' attitudes based on their behaviours with LPs. The vast majority of companies are in the possession of many databases containing their LP members' behaviours, among which customers' speed of earning and redemption rate. But, because of missing resources, many LP managers do not use this data. We suggest that they can easily segment and predict their LP members' attitudes according to their speed of earning and redemption rate. Customers with a high speed of earning *or* a high redemption rate will be more likely to be loyal to the company rather than the program whereas, with a high speed of earning *and* high redemption rate they will tend to be more LP loyal than company loyal. To implement the insight from this research, we suggest companies to be attentive to the "high redemption-high speed of earning" members as they might create assets rather than constituting a real long-term loyal customer base.

Our research also shows that with a simple implementable tool, namely direct communication via e-mail, it is possible to impact the gap between program loyalty and company loyalty. Although the majority of firms use monetary incentives, communication based on brand-related monetary rewards might deteriorate customers' loyalty to the company.

Limitations and future research

This research has several limitations. First, our study only considered the impact of two behaviours with LPs to evaluate the impact customers' attitudinal loyalty. But previous research showed that customers' behaviour at the competition such as share of wallet or share of visits are predictors attitudes (Kang et al. 2015). Our study lacks of competitive information. Further research should investigate the effects of more complete behaviours, taking into account customers' behaviours at the competitors. Second, although LP value perception is an important predictor of program loyalty (Leenheer et al. 2007), our study did not consider this measure. Further research should include LP value perception in the model and might consider it as a moderator of the behaviour-attitude relationship. Third, the effects we found may not be generalizable to all contexts. We used the same fuel provider for the two studies. Fuel providers are specific in the sense that their prices are officially fixed by the government and do not differ very much from one another. Furthermore, the customers' visits to the fuel provider are often more depending on convenience than on loyalty because customers might not have the choice to where they take fuel when their petrol tank is empty. Fourth, whereas involvement and status have been found to be important moderators of loyalty in the context of LPs (Yi and Jeon 2003), our study did not include this variables in the model. Fifth, only two elements of LP design are investigated but previous research has demonstrated that other elements such as timing of rewards, magnitude and point structure have impact on customer loyalty (Nunes and Dreze 2006; Yi and Jeon 2003). Finally, although company loyalty is a long-term concept, our study did not consider long-term longitudinal data.

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Appendix 1:

Loyalty to the program (Mimouni-Chaabane and Volle 2010; Yi and Jeon 2003)
- I would recommend this program to others
- I have a strong preference for this program
- I like this program more so than other programs

Company loyalty (Evanschitzky et al. 2012)
- I have a strong preference for this retailer
- This retailer is my first choice when it comes to purchasing xyz-products

Satisfaction (Ashley et al. 2011)
- Very dissatisfied…Very satisfied

Satisfaction with the program (Mimouni-Chaabane and Volle 2010)

- I made a good choice when I decided to participate in this program
- My overall evaluation of this program is good
- The advantages I receive, being a member of this program, meet my expectations
- All in all, I'm satisfied with this program

Perceived monetary benefits (Mimouni-Chaabane and Volle 2010)

- This e-mail allowed me to save money
- This e-mail proposed an interesting monetary advantage
- Thanks to this e-mail, it will be less expensive in the future

Appendix 2: e-mails for study 2

Brand related – monetary

Brand related – non monetary

Non-brand related – Monetary

Non-brand related – Non-monetary

Appendix 3: questionnaire

Mail

SUJET : Répondez et tentez votre chance pour gagner 150€ de carburant !

Numéro de carte : ….

Cher membre Total Club,

Afin de mieux vous servir et offrir de meilleurs avantages à nos clients, nous réalisons une enquête scientifique concernant le programme de fidélité Total Club.

Auriez-vous l'amabilité de répondre à ces quelques questions ? L'enquête prend environ 10 minutes. Il n'y a ni bonne, ni mauvaise réponse, seule votre opinion nous intéresse. **Ces informations seront traitées de manière totalement confidentielle et anonyme. Les données ne seront pas utilisées à des fins commerciales**.

Pour des raisons méthodologiques, certaines questions peuvent vous paraître redondantes mais **pour pouvoir mieux répondre à vos besoins à l'avenir**, il est essentiel pour le succès de l'étude que vous répondiez à **toutes les questions**.

Cliquez ici afin de participer à cette étude (composée de deux enquêtes) et tentez votre chance pour gagner 150€ de carburant !

Merci d'avance pour votre collaboration !

Questionnaire

Q1 : Cher Membre TOTAL CLUB,

Nous vous remercions d'accepter de participer à cette enquête!

Pour rappel, l'enquête prend environ 10 minutes. Il n'y a ni bonne, ni mauvaise réponse, seule votre opinion nous intéresse. Ces informations seront traitées de manière totalement confidentielle et anonyme. Les données ne seront pas utilisées à des fins commerciales.

Participez deux fois à l'enquête (un second e-mail vous parviendra d'ici quelques semaines semaines) et à la question subsidiaire pour tenter de gagner 150€ de carburant.

Afin que nous puissions vous prévenir si vous faites partie des gagnants, pourriez-vous indiquer votre numéro de carte Total Club ? *(votre numéro de carte se trouve en haut à droite dans l'e-mail ou au dos de votre carte sous le code-barres)*

(Mesures de la participation au programme de fidélité)

Q2 : Voici ci-dessous une série d'affirmations décrivant votre participation au programme de fidélité TOTAL CLUB. Pour chacune de ces affirmations, veuillez indiquer **dans quelle mesure vous êtes d'accord avec celle-ci ?** [Cochez un chiffre de 1 à 7. « 1 » signifie que vous n'êtes pas du tout d'accord et « 7 » signifie que vous êtes tout à fait d'accord avec cette affirmation (une seule réponse possible)]

Pas du tout d'accord	1	2	3	4	5	6	7	Tout à fait d'accord

Affirmations	**Variable**
Je me considère comme un membre actif du programme Total Club	Perceived activity level
Je participe activement au programme Total Club	
Lorsque je prends du carburant chez Total, je vais dans le magasin pour valider mes points.	Card usage
Lorsque je prends du carburant chez Total, je pense spontanément à aller valider ma carte dans le magasin.	
Lorsque je prends du carburant en dehors des heures d'ouverture, je pense à valider ma carte ultérieurement	
Je fais le nécessaire pour échanger mes points et recevoir la récompense	Point redemption
Lorsque je reçois une récompense à utiliser lors de mon prochain passage chez Total, je fais un effort pour retourner chez Total afin d'en bénéficier	
Lorsque j'ai atteint un certain seuil de points, je me rends spécifiquement chez Total pour recevoir ma récompense	
Je suis prêt(e) à prendre du carburant plus souvent chez Total pour bénéficier d'avantages supplémentaires offerts par le programme.	Adapt purchase behavior
Je suis prêt(e) à aller chez Total plutôt qu'ailleurs pour bénéficier d'avantages supplémentaires offerts par le programme	
Je suis prêt(e) à faire un détour pour aller chez Total afin de bénéficier d'avantages supplémentaires offerts par le programme	
Quel que soit mon expérience (positive ou négative) avec le programme de fidélité Total Club, je vais parler de mon expérience vécue avec mon entourage	Share information
Lorsque je suis déçue par le programme de Total Club, je vais en parler à mon entourage	
Si je suis satisfaite du programme Total club, je vais recommander ce programme à mon entourage	
Je vais essayer de convaincre mon entourage d'adhérer au programme Total Club lorsqu'il y a une offre intéressante	
Lorsque je reçois une communication liée au programme Total Club (un e-mail, une brochure, un flyer, etc.), je l'ouvre	Process information
Lorsque je reçois une communication liée au programme Total Club (un e-mail, une brochure, un flyer, etc.), je passe du temps à la lire	
Lorsque je reçois une communication liée au programme Total Club (un e-mail, une brochure, un flyer, etc.), je la jette directement à la poubelle (reverse)	
Lorsque je reçois une offre comme membre du programme Total Club, je suis curieuse et je vais rechercher plus d'informations	Search for information (proactive)
Je recherche des informations sur le programme de fidélité Total Club (sur internet ou dans le magasin)	
Je me tiens au courant des offres que propose le programme Total Club	

(Mesures d'attitudes envers Total et son programme Total Club)

Q3 : Voici ci-dessous une série d'affirmations décrivant vos attitudes et vos comportements envers le **programme de fidélité Total Club**. Pour chacune de ces affirmations, veuillez indiquer dans quelle mesure vous êtes d'accord avec celle-ci ?

(échelle de pas du tout d'accord (1) à tout à fait d'accord (7))

J'ai fait un bon choix quand j'ai décidé de participer au programme Total Club.	Program satisfaction
Mon évaluation globale du programme Total Club est bonne	
Les avantages que j'ai reçus ainsi qu'être un membre du programme Total Club rencontrent mes attentes	
Tout bien considéré, je suis satisfait du programme de fidélité Total Club	
Je recommanderais le programme Total Club à d'autres personnes	Attitudinal program loyalty
J'ai une forte préférence pour le programme Total Club	
Je préfère le programme Total Club à d'autres programmes	

Q4 : Voici ci-dessous une série d'affirmations décrivant vos attitudes et vos comportements envers **Total**. Pour chacune de ces affirmations, veuillez indiquer dans quelle mesure vous êtes d'accord avec celle-ci ?
(échelle de pas du tout d'accord (1) à tout à fait d'accord (7))

Même si Total était plus difficile à atteindre, je continuerais à prendre du carburant chez eux	Engagement
Je me sens engagé envers Total	
J'éprouve un certain plaisir à effectuer mon plein ou mes achats chez Total	
Je suis très lié(e) à Total	
Je suis prêt à faire davantage de kilomètres afin de rester client de Total	
Je rachèterais du carburant chez Total	Company loyalty (attitudinal)
J'ai tendance à retourner chez Total pour prendre du carburant	
Total est mon premier choix quand il s'agit de prendre du carburant	
Je préfère Total plutôt qu'une autre enseigne pour prendre du carburant	

Q5 : Dans quelle mesure êtes-vous satisfait(e) par les éléments suivants offerts par votre station Total habituelle?
(échelle allant de pas du tout satisfait (1) à tout à fait satisfait (7))

- L'emplacement - La qualité du carburant - Le prix du carburant - Le service offert par le personnel - La qualité de produits offerts dans le shop - Le prix des produits offerts dans le shop - La variété de l'offre dans le shop	Satisfaction

(Mesures de comportements)
Q6 : En moyenne, à quelle fréquence vous rendez-vous dans une station-service pour prendre du carburant **(toutes enseignes et toutes marques confondues)** ?

- Plus de 3 fois par semaine
- 2 à 3 fois par semaine
- 1 fois par semaine
- 2 à 3 fois par mois
- 1 fois par mois
- 1 fois tous les 2 mois
- 2 à 3 fois par an
- Moins de 2 fois par an

<u>Q7 :</u> En moyenne, à quelle fréquence vous rendez-vous <u>chez Total</u> pour prendre du <u>carburant</u> ?

- Plus de 3 fois par semaine
- 2 à 3 fois par semaine
- 1 fois par semaine
- 2 à 3 fois par mois
- 1 fois par mois
- 1 fois tous les 2 mois
- 2 à 3 fois par an
- Moins de 2 fois par an

<u>Q8 :</u> Lorsque vous vous rendez chez Total prendre du carburant, à quelle fréquence vous rendez-vous <u>dans le shop</u>?

- A chaque fois (100% des visites chez Total)
- 1,5 fois sur 2 (75% des visites chez Total)
- 1 fois sur 2 (50% des visites chez Total)
- 1 fois sur 4 (25% des visites chez Total)
- 1 fois sur 5 (20% des visites chez Total)
- 1 fois sur 20 (5% des visites chez Total)
- Jamais

<u>Q9</u> : En moyenne, à quelle fréquence vous rendez-vous dans le shop d'une station<u>Total</u> <u>sans prendre du carburant</u> ?

- Plus de 3 fois par semaine
- 2 à 3 fois par semaine
- 1 fois par semaine
- 2 à 3 fois par mois
- 1 fois par mois
- 1 fois tous les 2 mois
- 2 à 3 fois par an
- Moins de 2 fois par an

<u>Q10 :</u> Pourriez-vous indiquer pour quelle(s) raison(s) vous vous rendez habituellement dans le shop ? Plusieurs réponses possibles.

- **Pour me rendre aux toilettes**
- **Pour acheter des produits**

<u>Q10b</u> : Quelle(s) catégorie(s) de produits achetez-vous ? Plusieurs réponses possibles

- Boissons non alcoolisées
- Boissons alcoolisées
- Tabac
- Café (à la machine)
- Sucreries (par exemple chocolat, bonbons,…)
- Snack salés (par exemple chips)
- Sandwichs
- Viennoiserie
- Produits pour votre voiture, huile de moteur
- Presse
- Lotto
- Produits de dépannage (par exemple épicerie, produits frais, pain)
- Fleurs
- Autre :….

(Questions liées au profil du répondant)

Questionnaire 1 :

Q11 : *A présent, voici quelques questions concernant votre profil et vos préférences. Veuillez indiquer dans quelle mesure vous êtes d'accord avec les affirmations suivantes*

(échelle de pas du tout d'accord (1) à tout à fait d'accord (7))

- Je n'aime pas donner mes informations personnelles à une entreprise - J'ai peur de donner mes informations personnelles à des entreprises - Cela m'ennuie lorsque je reçois des mails non désirés de la part d'une entreprise - Je n'aime pas recevoir des mails non désirés de la part d'une entreprise	Privacy concerns

Q12 :

(Implication dans la catégorie de produits (validé dans le questionnaire pré-test))

- En général, je suis quelqu'un qui est intéressé par le carburant
- En général, je suis quelqu'un pour qui le carburant a beaucoup d'importance

Veuillez, sur chaque ligne, cocher la bulle qui reflète le mieux votre opinion concernant votre profil. (échelle de 1 à 5)

- J'ai une opinion très défavorable envers le carburant Total Excellium/le service Total Assistance/Lunch Garden/Kinepolis –
    - j'ai une opinion très favorable envers le carburant Total Excellium/le service Total Assistance/Lunch Garden/Kinepolis

Questionnaire 2 :

(Perception des e-mails reçus)

Q11b : Nous vous demandons à présent de repenser aux deux derniers e-mails que vous avez reçus de la part de Total (en tant que membre Total Club).

Veuillez, sur chaque ligne, cocher la bulle qui reflète le mieux votre opinion concernant le contenu de cet e-mail. (échelle de 1 à 5)

Le contenu de ces e-mails était :

- Pas convaincant – convaincant
- Pas crédible – crédible
- Pas informatif – informatif

Q12b : *Veuillez indiquer dans quelle mesure vous êtes d'accord avec les affirmations suivantes concernant les deux derniers e-mails reçus de la part de Total (en tant que membre Total Club) :*

(échelle de pas du tout d'accord (1) à tout à fait d'accord (7))

(hard: Monetary savings)

- Ces e-mails me permettent de faire des économies
- Ces e-mails me proposent un avantage monétaire intéressant

Grâce à cet e-mail, cela me coûtera moins cher dans le futur

(soft: Exploration)

- Ces e-mails m'ont fait découvrir de nouvelles informations

- J’ai appris des choses en lisant ces e-mails
- Grâce à ces e-mails, j’ai découvert du nouveau contenu

(soft: Entertainment)

- Le contenu de ces e-mails m’a réjoui
- C’était amusant de lire ce type d’emails

(Personnalisation)

- Ces e-mails m’étaient personnellement adressés
- Ces e-mails étaient personnalisés pour moi
- Ces e-mails m’étaient adressés spécifiquement

Socio démo

Q13 : Avez-vous une carte carburant *(carte TOTAL avec laquelle vous payez votre carburant)* ?

Q14 : Etes-vous...

- ❍ une femme (1)
- ❍ un homme (2)

Q15 : Quel âge avez-vous ?

Q16 : Quel est votre plus haut diplôme ?

- ❍ Pas de diplôme
- ❍ Diplôme primaire (1)
- ❍ Diplôme secondaire inférieur (2)
- ❍ Diplôme secondaire supérieur (3)
- ❍ Diplôme supérieur non-universitaire (4)
- ❍ Diplôme supérieur universitaire (5)
- ❍ Diplôme post-universitaire (6)

Questionnaire 2

Q17 : Quelle est votre profession ?

☐ Etudiant
☐ Personne au foyer
☐ Sans emploi
☐ Ouvrier
☐ Employé
☐ Cadre
☐ Indépendant
☐ Profession libérale
☐ Autre : ……………
☐ *Personnes retraitées*
o Personne au foyer
o Sans emploi
o Ouvrier

o	Employé
o	Cadre
o	Indépendant
o	Profession libérale
o	Autre : ……………

Q18 : Cette enquête est à présent terminée. Total vous remercie infiniment d'avoir consacré un peu de votre temps.

- Envoi 1 : Afin de tenter votre chance pour gagner 150€ de carburant, nous vous demanderons de participer à une **deuxième enquête** qui vous sera envoyée d'ici quelques semaines.
- Envoi 2 : Participez dès maintenant au concours afin de gagner 150€ de carburant.

Q19 Quel est le nom du programme de fidélité Total ?

- Total Plus
- Total Club
- Total Exclusif
- Total Team

Q20 : Selon vous, combien de personnes auront répondu complètement aux deux enquêtes envoyées le 19 juillet 2016 à minuit ?

Les gagnants seront avertis par e-mail.

Merci pour votre précieuse collaboration

GENERAL CONCLUSION

There is no doubt that loyalty programs are still popular. But are they still effective? Following a recent study of Colloquy (2017), marketers continue to put more and more time and money into their programs, but are they getting the kind of payoffs they expect in sustainable relationships and customer engagement? Taking this issue as a starting point, this doctoral dissertation *assesses the effectiveness of loyalty programs in building customer engagement and loyalty.* Specifically, the first essay answers the first research questions of this doctoral research by showing what engagement with LPs is, developing a valid scale for it and assessing its link with company engagement. In addition, this essay shows that traditionally used measures of LP engagement such as card usage or point redemption do not reflect effectively customers' engagement with the company. The second essay identifies what reward types and communication should be used to make members more engaged with LPs. The third essay addresses the third research question of this doctoral dissertation. Indeed, this essay identifies the behavioural patterns that reduce the gap between program loyalty and company loyalty. In addition, the impact of different types of LP-related direct communication is studied.

The following section summarizes the theoretical contributions of the three essays composing the main body of this dissertation. Because the specific contributions to the literature of each essay were discussed previously, this section focuses more specifically on the overall contributions of this doctoral work. The managerial implications of this dissertation are then discussed. Finally, we present the general limitations of this doctoral research as well as avenues for future research.

Theoretical contributions

Overall, this doctoral dissertation makes several important contributions to the marketing literature on LPs.

First, whereas the effectiveness of LPs is still source of debate and customer's engagement is low, previous studies that investigate the effects of LPs on members' attitudes and behaviours rarely consider customers' engagement with LPs. When assessing the effectiveness of LPs, the vast majority of previous research compared members with non-members, no matter customers' level of engagement with the program. Based on behavioural data, a first group of authors modelled the impact of LPs on customers' purchase behaviour (Sharp and Sharp 1997; Bolton et al. 2000; Liu 2007), customer lifetime duration (Meyer-Waarden 2007), customer retention (Lewis 2004) or company's sales (Liu and Yang 2009). These authors considered LP membership as an independent variable or selected LP members for their analyses, no difference was made between members according to their engagement with the program. A second group of authors conducted experiments to determine the effectiveness of LPs. Some authors focused on the effect of some LP design elements on measures such as value perception of the program (Yi and Jeon 2003), post-program accessibility of information (Roehm et al. 2002), attitudinal loyalty (Keh and Lee 2006), self-reported behavioural loyalty (Wirtz et al. 2007), or perception of status (Drèze and Nunes 2009). In their experiments, respondents were assumed to be LP members, no matter their engagement level. Moreover, the surveys did not include a measure to assess how engaged customers were with the program. But, for LP strategies to succeed, it is crucial that customers participate in the program. Studies assessing the effectiveness should consider LP members' engagement level with the LP. A small number of authors evaluated LP's effectiveness based customers' card usage (Mauri 2003) or point redemption behaviours (Drèze and Nunes 2011; Dorotic et al. 2014; Stourm et al. 2015). Even though these studies consider some forms of customers' engagement with LPs, they do not evaluate the whole set of customers' responses to LPs incentives. The *first essay* of this doctoral dissertation contributes to the LP-related literature by proposing a valid and reliable scale to evaluate members' engagement with LPs. In line with van Doorn et al. (2010), we propose that LP engagement is composed of behavioural manifestations, beyond purchase. We show that LP engagement is a multi-dimensional concept, which is composed of six different behaviors. Moreover, we show that LP engagement is an important predictor of customer company engagement.

Second, previous research considered card usage or point redemption behaviours as proxies to evaluate the effectiveness of LPs. Mauri (2003) investigated the effect of promotional inducements on card usage. Dorotic et al. (2014) studied the reward redemption effects when customers choose how much and when to redeem. Stourm et al. (2015) investigated the underlying motivations to stockpile points (or to redeem). Drèze and Nunes (2011) assessed the impact of successful reward attainment on purchase behaviour. Whereas these studies considered card usage and point redemption as important factors to assess the effectiveness of LPs, this doctoral dissertation shows that these behaviours might not always be adequate for predicting long-term relationships. The findings of *the first essay* suggest that, although card usage and point redemption behaviours are part of LP engagement, they are not highly correlated to company engagement. In addition, the results of the first study of *the third essay* show that LP members with a combination of high speed of earning loyalty points and high redemption rate tend to be loyal to the program rather than to the company. These members thus constitute liabilities for companies in the sense that they are loyal to the incentives instead of long-term loyal to the company.

Third, this doctoral dissertation provides insights on what LP members' behavioural patterns will characterize customers' engagement in relationships. While building long-term relationships is a key objective of LPs (Berry 2015; Kang et al. 2015), little attention has been paid on what LP-related behaviours reflect their engagement in long-term relationships. Existing studies has mainly focused on the effects of LPs on attitudinal company loyalty (Bagchi and Xingbo 2011; Evanschitzky et al. 2012), customer company identification (Kang et al. 2015; Brashear-Alejandro et al. 2016) or commitment (Melancon et al. 2011; Noble et al. 2014). This doctoral dissertation adds on previous research by proposing a set of LP-related behaviours that will identify long-term oriented customers. *Essay 1* demonstrates that members adapting their purchase behaviour depending on LPs offerings, sharing and searching information about the program will be more engaged in a relationship with the company. In the *third essay*, the results of the first study show that members with a high speed of earning *or* a high redemption rate will be more likely to be loyal to the company than to the program.

Fourth, this doctoral dissertation contributes to the large amount of studies on the effectiveness of LP design. Rewards structure has been studied extensively in the literature (Breugelmans et al. 2015). Previous studies investigated the effect of rewards structure or point structure on customer's decision to join (Kivetz and Simonson 2002), attitudinal loyalty (Roehm et al. 2002; Keh and Lee 2006), store satisfaction (Bridson et al. 2008) or perceived value of LP (Kivetz and Simonson 2003). This doctoral dissertation contributes to this wide range of studies by identifying the rewards structure that likely makes customers more engaged with the program and loyal to the company. In *essay 2,* we studied the effects of LP perceived benefits on LP engagement. The findings of this essay suggest that LP's design should induce hedonic benefits to enhance involved customers' engagement with LPs. For low involved customers, prompting utilitarian benefits seem the most appropriate strategy. This lends support to previous findings stating that the different types of benefits associated with the program affect customers' participation with the program (De Wulf et al. 2003). In *essay 3,* we investigated the effect of the reward structure on the gap between program loyalty and company loyalty. The results of this essay show that, when utilitarian benefits are prompted together with brand-related associations, they are likely to make customers loyal to the program instead of to the company. These findings confirm that utilitarian benefits can lead to short-term program loyalty (Dorotic et al. 2010) and contributes to previous research by showing that utilitarian benefits combined with brand-related associations can increase the gap between program and company loyalty.

Fifth, this doctoral research adds on previous studies by confirming that customers differently react to LPs. Prior studies suggested that customers are heterogeneous with respect to their responses to LPs (Kopalle et al. 2012). It was for instance shown that customers' responses depend on their initial loyalty levels (Liu 2007; Wirtz et al. 2007) and involvement levels (Yi and Jeon 2003; Melancon et al. 2011). The findings of *essay 2* confirm the findings of these studies by showing that customers react differently to the LP design according to their initial loyalty and involvement levels. Our results show that (1) whereas highly involved customers will be more engaged when hedonic benefits, (2) low involved customers will prefer utilitarian benefits, (3) and, personalized communication will be more effective if customers are already loyal to the company.

Finally, this doctoral dissertation addresses several academic avenues for future research. *Essay 1* responds to the call for academic insights on measuring consumers' LP participation and investigation of their relation to other LP performance metrics (Breugelmans et al. 2015). The *second essay* approaches the question on how do different communication frames influence consumer behaviour and LP performance (Breugelmans et al. 2015). And essay 3 tackles the question of whether customers become loyal to LP incentives or to the retailer running the LP (Dorotic et al. 2012).

Managerial implications

According to a managerial study by Capgemini (2015), 77% of transaction-based programs actually fail in the first two years. LPs fail in providing the experiences that create long-term emotional loyalty. LP managers spend up to 75% of their time and money on acquisition (Colloquy 2015). Yet, only 25% of LPs reward customers for some form of engagement (Capgemini 2015).

With the proportion of active members continuing to decrease and the loyalty landscape becoming ever more competitive, retailers must step up their game. Loyalty marketers are not doing enough to drive engagement and value for program members. There is a big gap between members that are simply signing up and long-term engaged ones. Indeed, engaged LP members are far more likely to spend more money, spend more frequently, try new products, refer potential new customers and contribute to profitability than are new members (Colloquy 2015). LPs should engage with their LPs in multiple ways, be it online, or in-store and with a wide range of rewards that really engages and entices members in.

This doctoral dissertation examines three particular areas where marketers should rethink their LPs to create better, more profitable relationships with customers. Driving long-term retention of loyal members will lower the overall investment and LPs will naturally acquire new members through reputation.

First, as it is important for managers to focus on profitable existing members rather than new and non-active members, we provide them with tools to segment their members and identify the most profitable ones. In *essay 1*, based on attitudinal data, we show that customers using their card, redeeming their points and opening communications from the company are not necessarily engaged with the company in a relationship. Managers should identify their engaged members by looking at other behaviours such as adapting purchases to benefit more from the LP, sharing and searching information about the LP. Members performing these behaviours will be profitable in the sense that they are more likely to be engaged in a relationship with the company. In *essay 3*, based on behavioural data, we show that customers with a high speed of earning loyalty points and a high redemption rate will rather be loyal to the program than to the company. These customers thus not constitute a profitable asset for the company. We suggest managers to segment members according to their speed of earning loyalty points and redemption rates and to be careful to this "high speed of earning – high redemption rate" segment.

Second, the findings of *essay 2* suggest that LP managers should focus on offering adequate rewards. Nowadays, modern-day loyalty members are demanding a wider variety of rewards from their LPs (Collinson 2016). Whereas 75% of customers continue to participate in a LP because the rewards and offers received are relevant to them, 56% stopped participating because the program did not provide rewards that interest them (Colloquy 2015). The most important aspect of LP for members is the wide range of rewards offered (Collinson 2016). Based on the results of the first study of *essay 2*, we propose that managers should focus on offering monetary incentives to enhance their customers' LP engagement. But this strategy will only be effective if customers have a low involvement level. To enhance engagement of highly involved customers, offering hedonic benefits seems a more appropriate strategy.

Third, this doctoral dissertation provides managers with insights on how to communicate with their LP members. Our first recommendation is related to personalized communication. Marketers often miss the mark on using customers' data to create relevant communications and personal experiences (Collinson 2016). The modern consumer wants to be treated as an individual, not just as a number. With this in mind, LP managers need to think about personalizing their offers to their LP members. The findings of *essay 2* suggest that personally addressing their members and customizing content will make members more engaged with LPs. Our second recommendation builds on the type of content managers should communicate on. Based on the second essay, we propose managers to use “soft” content in their communications rather than “hard” to make highly involved customers more engaged. Moreover, based on the findings of our *third essay*, we recommend managers to be careful when communicating on brand-related monetary incentives because it might make customers more loyal to incentives of the program than to long-term loyal to the company.

Ethical questioning with respect to loyalty programs

Although LPs are widely used by companies in the hope to contribute to the company's financial performance, it is essential to underline that these programs are not always beneficial for customers. LPs are subject to frequent criticisms even though they are supposed to provide value for customers. There is often an implicit assumption that all customers are willing to engage in relationships with companies (Eagle and Dahl 2015). Hence, LPs are not always a good thing for customers. Three major issues need to be discussed when questioning the ethical issue of LPs.

First, there is an implicit assumption that companies build relationship tools based on honesty, fairness and transparency (Finkle and Mallin 2011). However, the fundamentals of ethical relationship marketing are not always considered by companies (Eagle and Dahl 2015). For example, with their relationship marketing strategies, companies should be customer oriented and put the human being first (Eagle and Dahl 2015). Nevertheless, in reality, we often face situations where customers are not treated as human beings but rather as numbers. Moreover, companies should be transparent and honest, but the strategies behind the relationship marketing tools are not always transparent to their members.

Second, it is important to point out that LPs can harm customers' feelings. According to some authors, some programs fail due to the lack of focus on the *customer's* feelings about relationship marketing efforts (Noble and Phillips 2004). Although their main objective is to strengthen the relationship between companies and their customers, LPs can sometimes harm the psychological and financial well-being of their members (Pez et al. 2017). Because companies that utilize LPs are explicitly shifting resources away from non-participating customers in favor of customer's participation in LPs, it may lead to accusations of discriminatory customer treatment LPs. This can generate a feeling of frustration (Stauss et al.

2005). Moreover, members who never benefit from rewards may suffer from a feeling of unfairness (Steinhoff and Palmatier 2016).

As well as the feeling of frustration and unfairness, LPs can lead to psychological discomfort related to the pressure felt by customers when companies urge them to adopt specific behaviors (e.g. purchasing more or another brand of a particular product) or behavior that they did not initially plan (e.g. buy another brand of a particular product). The pressure that LPs exert on their members can have a negative influence on customers' well-being, particularly because it increases the feeling of discomfort in the relationship with the company (Pez et al. 2017).

Third, following the nature of relationships, relationship marketing should benefit *both* companies and customers. Customers will be reluctant to participate if they see the costs as outweighing the benefits of engaging with LPs. Companies try to develop valuable LPs in order to increase their customers' participation in LPs. But, in many cases, customer do not feel that the benefits offered by companies are sufficient to warrant the time and effort required to engage in a relationship with them (Noble and Phillips 2004). Often, customers perceive the awards offered as "hollow" or "unenticing" (Noble and Phillips 2004). This could harm customers' relationship with the company. Companies should modify their offerings such that members think the benefits are commensurate with their patronage, and enticing enough to warrant the formation of a relationship with the retailer.

And finally, yet importantly, another common criticism towards LPs regards the collected data on customers. One of the main objectives behind LPs is their use as a primary data-gathering platform that can help to improve the efficiency and effectiveness of a LP. In order to benefit from the benefits offered by the program, customers must divulge some personal information. Most customers are willing to give up a certain amount of privacy in exchange of LP benefits even though they fear that this information could be misused (Noble and Phillips 2004). There is a potential for increased concern about the misuse personal information and loss of control over how information is being collected and disseminated. Companies should be responsible to safeguard this personal information. They should implement privacy policies and set up things to secure customer data. Companies should not sell or share their members' information without their express permission.

Companies also use their data to track customers' purchases. This can lead to a greater understanding of purchase behavior and enable companies to adapt their marketing strategies. As with personal information concerning their members, it is important for companies to keep this tracking data secure.

To conclude, while LPs are used to enhance value for both companies and customers, it is important to acknowledge that they can harm customers' feelings and deteriorate relationships. Moreover, it is important to keep in mind that companies should be cautious with the use of their members' personal data in order to respect their privacy.

Critical perspective on the methodologies used in this dissertation

As pointed out in the introduction section, we undertook this doctoral dissertation by adopting a positivist approach, and more specifically, a deductive method of testing. Following this method, it is necessary to first have some ideas about what to look for (Popper 1959). It is crucial to have some hypotheses or assumptions that have been derived from theory, to provide direction for data gathering (Blaikie 2009). In this dissertation, hypotheses were built based on previous theory and subsequently tested with the help of quantitative data analyses.

"The truth value of research outcomes is stronger when both the data and the design are valid" (Newman and Benz 1998, p. 29). Validity is crucial to create valuable research outcomes. Validity includes, on one hand, both external and internal validity, and, on the other hand, measurement validity.

External validity refers to *"the extent that a study is generalizable to other people, groups, investigating, etc"* (Newman and Newman 1994, p. 119). In the first essay, we enhanced external validity with additional studies for the (cross-) validation of our scale. Additionally, the second essay validated our LP engagement scale. We ran both our second and third essays in a utilitarian context, which leads to low external validity. To address this issue, additional studies should be undertaken in a more hedonic context. Moreover, because it is an "artificial setting" (scenario-based experiment), the experimental design of our second essay lacks external validity. In our third essay, we conducted a field experiment to enhance external validity but, in the case of field studies, it might be difficult to ensure internal validity.

Internal validity refers to "*the extent that one can say the independent variable causes the effects of the dependent variables; in other words, one has the ability to assume causation to the extent that researcher has control*" (Newman and Benz 1998, p. 34). The main question is thus: "Do researchers actually observe or measure what they think they are?". In the second essay, we developed our experimental setting to maximize internal validity. With this scenario-based experiment, we wanted to make sure that the level of LP engagement measured was due to the perceived benefits in the e-mail we used as stimuli. But, as real retailers were used, it is complicated to control for all extraneous elements. It might well be that the measured levels of LP engagement and loyalty are due to external elements.

But, as real retailers were used, it is complicated to control for all extraneous elements. It might well be that the measured levels of LP engagement and loyalty are due to external elements.

A research design is only internally valid if it has measurement validity and reliability. Measurement validity is a subset of internal validity. Measurement validity is *"the degree to which a measure accurately represents what it is supposed to"* (Hair et al. 1998, p. 8). To ensure the measurement validity of our LP engagement scale, we assessed convergent, discriminant and nomological validity.

Another concern about internal validity is that, when asking respondents about their attitudes and behaviors, there is a potential gap between what they say they do and what they actually do (Blaikie 2009). Chandon et al. (2005) for example found a self-generated validity effect when behavioural intentions are measured. It refers to the strengthened relationship between the measured latent construct and its behavioural consequences. It might well be that there is a gap between respondents' declarative levels of LP engagement, loyalty and behaviours and their real engagement and loyalty levels.

If we ensure validity, we still need to consider the reliability of our measurements. Reliability is *"the degree to which the observed variable measure the "true" value and is "error free""* (Hair et al. 1998, p. 8). To ensure reliability of the scales used in this dissertation, we choose reliable scales from previous researchers. Moreover, the Cronbach's alpha levels of all variables measured in the questionnaire were calculated and checked to be above the desired level of .70. Concerning the development of our LP engagement scale, Cronbach's alpha levels and Jöreskog's rhô's values were assessed and ranging between .77 and .86.

The main data sources of this dissertation consist of respondents' survey data. In essay 1 and essay 2, we relied on a mix of convenience and snowball sampling to recruit respondents. Convenience sampling refers to *"a non-probability sample technique that attempts to obtain a sample from convenient elements"* (Malhotra et al. 2003, p. 758). Respondents are selected because they happen to be in the right place, at the right time (Malhotra et al. 2003). Snowball sampling is "*a non-probability sampling technique in which an initial group of respondents is selected randomly. Subsequent respondents are selected based on the referrals or information provided by the initial respondents. By obtaining referrals from referrals, this process may be carried out in waves*" (Malhotra et al. 2003, p. 768). First, convenience sampling was used because the initial group of respondents was formed with master students of our university. Following, we applied a snowball technique because students were asked to send out the questionnaire to their relatives, who were, in turn, asked to forward the questionnaire to their own relatives. The main advantage of this method is that it is the least time expensive and time-consuming method (Malhotra et al. 2003). Moreover, the respondents are accessible and cooperative. This method allowed us to expand sample size easily while reducing costs and time. But, despite these advantages, our method has some serious limitations. The main concern with this method is the self-selection bias. That is, the early respondents to our e-mail survey are likely to be more interested, involved, and/or experienced with LPs compared to non-respondents (Wilson 1999). Moreover, snowball sampling is generally criticized because respondents are likely to have similar demographic and psychographic characteristics (Malhotra et al. 2003). It might well be that our samples are not representative of the Belgian population. In order to improve the external validity of our non-probabilistic sample, students coming from various backgrounds and with different socio-demographic characteristics, were asked to send out the survey to a large group of people, with various socio-demographic profiles, in their entourage. By doing so, it allowed us to have a variety of LP members coming from different horizons. Selection bias might be addressed, firstly through the generation of a large sample and secondly by the replication of results to strengthen any generalizations (Atkinson and Flint 2001). In our case, sample sizes were considerable and our LP engagement was validated in several studies. Moreover, we had a representation of a wide range of categories of respondents, which allowed us to test numerous control variables. In our third essay, a form of judgemental sampling is used. Judgemental sampling is "*a form of convenience sampling in which the population elements are selected based on the judgement of the researcher*" (Malhotra et al. 2003, p. 364). In our case, we selected LP members that were never contacted before by the company (no previous e-mails) to be able to isolate the effect of our stimuli in the e-mails sent for our experiment. By doing so, we ensured that no other e-mails interfered with the e-mails sent for the experiment. In line with our sampling techniques of our first two essays, it does not allow a direct generalization to a population but, as sample size is considerable, it reduces bias.

Concerning the data collection technique, online surveys were used throughout this dissertation. According to Evans and Mathur (2005), online surveys provide considerable advantages. First, online surveys can be administered in a time-efficient manner, minimizing the period to collect and process data. Second, technology innovations make questionnaires more attractive and easier to use, also to respondents without computational skills. Third, respondents can answer at convenient times for themselves. Fourth, respondents answer the questions in the order intended by the study and the designer. Fifth, once the last questionnaire for a study is submitted, the researcher instantly has the data stored in a database. And finally, online surveys can be constructed so that the respondents must answer a question before advancing to the others and ensure that respondents only answer the questions that are specifically directed to them. While online data collection provide substantial advantages, major threats still remain. First, there is a selection-bias related with the Internet population (mostly age). Second, because respondents are not guided by an interviewer, it might well be that do not read the question properly and that they fill in any score (not what they really think, but the "totally agree" on each scale for example) to respond quickly to the questionnaire and satisfy the demand of his/her relative. We addressed this problem by measuring concepts with multi-item variables, allowing us to measure reliability, and adding reverse items to control for these "false responses". Moreover, the time spent by the respondents to answer the questionnaire was measured and all improbable timings of response (for example, respondents taking less than two minutes to answer the questionnaire) were taken out the database. Third, when including a "don't know or neutral" response option, respondents will be likely to select this option a lot more than with face to face or telephone interviews (Miller 2000). There is a tendency for web respondents to respond in the middle of the scale. And finally, online questionnaires can lead to low response rates because the increasing and big amount of online surveys. E-mails with surveys might be perceived as "spam". (Evans and Mathur 2005).

To test our hypotheses, statistical significance tests were used throughout this dissertation. Tests of significance are designed to apply probability theory to our sample data in order to make judgements as to whether our findings can be expected to occur, other than by chance, in the population from which our samples were drawn (Blaikie 2009). Our research hypotheses were transformed into null and alternative hypothesis. The null hypothesis and alternative hypothesis are statements regarding the differences or effects that occur in the population. To determine whether a result in our sample was statistically significant, a p-value was calculated, which is the probability of observing an effect (hence refuting the null hypothesis) although the null hypothesis is true. The null hypothesis is rejected if the p-value is less than a predetermined level, α. The α level is the probability of rejecting the null hypothesis when actually true, or in simple terms, the chance of the test showing statistical significance when it actually is not present (Malhotra et al. 2003). Although statistical significance testing is the primary method by which marketing researchers empirically test hypotheses and draw inferences about theories, this method is not without limitations (Sawyer and Peter 1983). Several factors detract from the value of statistical testing. First, the process of statistical hypothesis testing is found to be subjective because many subjective decisions are made by the researcher (e.g. hypothesis formulation, α-level). Second, exact null hypotheses are rarely true in the population. Third, classical significance tests are often uninformative without descriptive statistics and other inferential tests. Fourth, researchers often hypothesize that their data follows a specific distribution (e.g., normal, Student) but rarely verify this distribution before performing hypothesis testing. Finally, classical statistics offer no direct evidence about individual behaviour.

Limitations and future research

Despite its important theoretical contributions and managerial implications, this doctoral dissertation is not without limitations. These limitations nevertheless offer potential avenues for future research. We start with some limitations that can be addressed with minor additional studies and following, we present some broad lines of future research, which open the door to new and exciting research opportunities.

First, our doctoral work focuses on utilitarian purchases. Yet, previous research established links between motivational drivers and LP participation (Kreis and Mafael 2014). Moreover, perceived LP benefits seem to vary depending on the company's sector (Stathopoulou and Balabanis 2016). In our first essay, respondents were free to choose an LP they were enrolled in but the majority chose an LP in the grocery sector. The first study of the second essay used a grocery retailer for its experimental setting. The second study of the second essay and both studies in essay 3 were conducted using a petrol provider's LP. Further research should test if LP engagement is driven by the same set of rewards in a more hedonic, high-end sector.

Second, we acknowledge limitations pertaining to the experimental setup of the studies conducted in essay 2 and essay 3. Real companies were chosen for both experiments. In essay 2, we chose a Belgian grocery retailer to be able to assess their initial loyalty levels. In essay 3, the field experiment was conducted in collaboration with an existing fuel provider. Because real LPs were chosen, it may not be possible to control all extraneous variables. LP members might have reacted differently to manipulations because of other elements such as in-store promotions or points-status in the LP Future research should investigate the effects of LP design in an fictitiuous situation to isolate the effects. Experimental research is powerful tool for determining causation, but it can not specifiy "why" the outcome occurred. Additional research should understand better why certain effects occur and why some types of rewards are preferred above others.

Third, the scope of this doctoral dissertation was limited to two characteristics of reward programs. Our studies in essay 2 and essay 3 focused on reward structure (reward form and brand-reward compatibility) and program communication. Yet, prior literature identified three other LP design components that affect customers' responses to LPs: membership requierements, program structure and point structure (Breugelmans et al. 2015). Membership requirements have been found to to affect the decision to join an LP (Liu and Yang 2009). There are two dominant program structures: frequency reward programs (buy, collect points and get rewards) and customer tier programs (buy, collect points and qualify for a tier), which have been shown to have an impact on sales (Kopalle et al. 2012). Previous studies showed that point structure (number of points before getting a reward, number of tiers,…) impacts customers' responses to LPs (Drèze and Nunes 2009). In our third essay, a combination of rewards is shown that tends to *increase* the gap between program and company loyalty. But, it is necessary to investigate what type of LP design will *decrease* this gap. Future investigations could explore the effect of *a combination* of LP components on customers' LP engagement. In addition, the effect of other reward structures (e.g., aspirational value or reward timing) or communication characteristics (e.g., communication frames or multi-channel communication) should integrated in this analysis of the right blend of rewards that enhance engagement and loyalty.

Fourth, this dissertation only considered involvement and loyalty as moderating customer-related charactestics for their reactions to the LP design. Yet, although LP design is critical, it is customers' reactions that ultimately determine a program success. Some research has segmented customers according to their generic traits or characteristics such as sociodemographics (Leenheer et al. 2007) or shopping orientation (Mägi 2003). Future research should thus take into account other customer-related factors as moderating variables.

Finally, the research conducted in this doctoral research focused on single-vendor LPs. Yet, the total number of members of coalition loyalty programs (an LP where multiple companies jointly participate in one program and members can redeem/earn rewards from participating companies) worldwide is likely to have risen above 2 billion in 2015 and around 2 billion of customers are likely to be members of at least one coalition LP, which is equivalent to approximately 28.4% of the world's adult population (Finaccord 2015). Although Dorotic et al. (2010) did not find any additional effect of coalition LPs above single-vendor LPs, recent managerial surveys show that 27% of LP members rank the ability to earn points from multiple retailers as one of their top tree appealing features (Colloquy 2015). Further investigation on the effect of coalition programs on building long-term relationships is needed.

Besides the above-mentioned limitations, several broad lines of limitations and associated potential future research recommendations are proposed in the section below. Table 1 summarizes the broad lines of future research and recapitulates, for each future research proposition, potential research questions, the state of the art, the proposed theory or concepts to address the questions, as well as the expected contributions.

Table 1 : Future research recommendations

Research question questions	State of the art (gap)	Theory/ core concepts	Expected contribution(s)
Antecedents of LP engagement			
Why are customers engaged with LPs? Why are they engaged with some LPs and not with others?	Customer engagement rate with LPs is low but attitude towards LPs are positive (Colloquy 2017). Our research identified the engagement behaviors but did not investigate the customers' motivations and implicit reasons behind their engagement behaviors.	Attitude-behavior consistency (Sheth and Parvatiyar 1995) Implicit motives (Slabbinck et al. 2011)	There is a gap between customers' overt engagement behaviors and implicit attitudes towards the program. What mainly drives LP engagement might not be the LP design.
The effects of LPs on engagement and loyalty			
How can LPs have a detrimental effect on customer engagement? How could LPs deteriorate the relationship between the customer and the company?	The vast majority of LP research focuses on the positive outcomes of LPs (e.g. Liu 2007). Some authors studied the reasons why customers are reluctant to build relationships with companies (Ashley et al. 2011) or how LPs can harm customers' feelings (e.g., Pez et al. 2017). However, no research investigated how LPs can have a detrimental effect for companies (a decrease in loyalty and engagement).	Service failure (McCollough et al. 2000) Customer deception (Cardozo 1965)	LPs are not always a good thing for companies. Badly managed LPs could lead to a decline in customer engagement and loyalty levels through customer deception and frustration.
How to leverage the synergy between traditional and digital tools in relationship marketing strategies to add value for the customer and enhance engagement?	Actual LP research focuses on the effectiveness of one (traditional) element of the LP design versus another (Yi and Jeon 2003). Previous studies did not assess the combination of different traditional and digital elements of the LP design.	Perceived LP value (Bolton et al. 2000) Relative attractiveness of LPs (Wirtz et al. 2007)	Provide an integrated analysis of different components of the LP design including traditional and digital elements and show how the combination of different elements of the LP design can add value for customers and enhance engagement.

Consequences of LP engagement			
Does LP engagement predict company engagement in the long run?	In many cases, managers monitor their customers' engagement through card usage, point redemption and receptivity to information. However, the findings of this dissertation show that they might not be the best indicators of company engagement. There is a need to study more in depth how LP engagement behaviors predict company engagement. Moreover, whereas engagement is an iterative process (Brodie et al. 2011), the vast majority of studies on engagement focus on one point of time. However, engagement should be studied in a longitudinal study.	LP and company engagement (van Doorn et al. 2010)	Whereas card usage, point redemption and receptivity for information currently are considered as tools for evaluating customers' engagement with LPs, they are not good predictors for LP engagement. In addition, LP engagement is a concept that fluctuates in time.
Should companies reward engagement behaviors?	Currently, LPs reward customers' purchase behavior. With the increasing use of new media, customers share more and more information (eWOM). Moreover, with new technologies, it becomes a lot easier for companies to monitor customers' engagement behaviors (e.g. being receptive to information).	Rewarded behavior (Taylor and Neslin 2005) and learning effects (Drèze and Nunes 2011)	Rewarding engagement behaviors will lead to an increase in LP engagement, and the effect is higher than rewarding customers only for purchase behavior.
Ethical issues			
Under which conditions are customers willing to provide personal data and permissions to companies?	One of the main objectives of LPs is to collect data. Most research focuses on customers' privacy concerns (Ashley et al. 2011) but did not investigate under which conditions customers are willing to provide data and access to their personal information. In other words, previous studies investigated the reasons why customers are willing to provide information, but did not consider the moderators of the relationship between the program and the willingness to provide access and information.	Privacy concerns (Ashley et al. 2011) Perceived value	Besides the perceived value and the privacy concerns as antecedents of the willingness to provide information, there are some moderators such as customer trust or engagement with the company.

First, in essay 1 we show that LP engagement is composed of six behavioural manifestations. However, our research did not investigate "why" customers engage with LPs. Moreover, whereas customers' LP engagement rate is low, studies have shown that attitudes towards LPs are positive (Colloquy 2017). Practitioners have called for studies to understand why customers think they participate and why they actually do (Colloquy 2017). There is a need to understand customers' motivations and implicit reasons behind their engagement behaviours. Future research should investigate more in depth the "why" behind customers' engagement or refusal to engage with LPs. More specifically, a qualitative study should be conducted to understand the underlying motivations and processes behind LP engagement. This study should provide a better understanding of the antecedents of LP engagement In other words, provide answers to the following questions: "Why are customers engaged (or not) with LPs? And why are they engaged with some LPs and not with others?"

Second, some researchers argue that relationship marketing is not always effective for all customers and that customers sometimes seek to avoid relationships (Noble and Phillips 2004). Most studies focus on the positive impacts on attitudes and behaviours of relationship-building efforts (e.g., Bridson et al. 2008). In this dissertation, we focus on the positive effects of LPs with engagement and loyalty as outcomes. Few researchers have investigated how LPs can have a *negative effect* on customers' attitudes and behaviours. Future research could focus on the negative aspects of LPs and study how relationship-marketing tools can have a detrimental effect on customers' engagement and even more, how they could deteriorate the relationship between the customer and the company.

Third, whereas several authors indicate that LPs require an appropriate blend of perceived LP benefits to be successful (De Wulf et al. 2003; Bridson et al. 2008), our research in essay 2 considered the effect of one type of reward separately. But, in reality, companies offer several reward types simultaneously. Companies often leverage their economic rewards with hedonic rewards and personalized communication to boost customers' engagement. The evaluation of an LP design thus requires an integrated analysis of several components.

Moreover, in this evolving digital world, we have experienced an explosion in technological advancement, with new technologies enabling LP members to shop, communicate, explore and consume in entirely new ways. Consumers want more from their LPs, *« brands must embrace technology, spread their programs across multiple channels and touchpoints, and motivate customers to join conversations and be active beyond transactions »* (Geoff Smith, Crowdtwist 2016, p. 2). Consumers are demanding convenience across all touchpoints, more personalized offers and rewards for showing loyalty beyond the point of sale (Datacandy 2016). Customers are becoming bored and disengaged with LPs that ignore obvious technology advancements. Companies must adopt technology for the purpose of maintaining a meaningful and profitable relationships with customers (Datacandy 2016). Customers expect to interact with companies beyond a single transaction channel, today customers are "multi-channel" loyal. It means that they interact with companies and purchase through a multitude of channels such as Internet, mobile apps or in-store. Concerning LPs, it is important that they offer both online and offline benefits. Indeed, 60% of LP members find it important to be able to spend their points both online and in-store (Collinson 2016). LPs should include better use of technology to allow increased personalization and real-time earning and redeeming. In order to keep strides with customer expectations and strengthen their customers' loyalty, companies should integrate new technologies in the design of their LPs. LPs should find a balance between tradition and innovation. In this dissertation, we assessed what type of LP rewards and communication enhance relationships with customers. Future research should investigate how to increase value for customers and build long-term relationships by leveraging the synergy between traditional and digital tools. Academics should identify situations where digital marketing tools complement, or substitute for, their traditional LPs (Shankar et al. 2010).

Fourth, digitalization and, in particular mobile devices, offer potential customer data and capabilities for LP mangers to connect with their members. A risingly important tool used by LP managers are the location-based services. With the prevalence of location-based services and apps, companies connect with customers in real time and target them at their point of engagement. Future research should investigate if these location-based connections with customers are beneficial for the company *and* the customer. What is the level of customers' acceptance of location-based recommendations? Moreover, it is worth investigating if these location-based services are not too intrusive for customers and do not lead to consumers' reactance against LPs. In addition, it is important to note that many of marketing applications for mobile devices are "permission-based", which means that customers are required to agree to receive information from a company. 75% of millennials are losing confidence in data security but almost half would exchange personal data for rewards (Collinson 2016). A key challenge will be to understand the conditions under which customers are willing to give LP managers such permissions (Hennig-Thurau et al. 2010).

Fifth, the findings of essay 1 suggest that LP behaviors such as card usage, point redemption and receptivity to information have a low correlation with company engagement. However, previous authors considered these behaviors as indicators for customer engagement in LPs. A more in depth study should analyze the link between LP and company engagement. Moreover, the doctoral research did not consider long-term effects. Because the objective of LPs is to create long-term relationships by transforming single purchases into multiperiod decisions, it is obvious that their effectiveness should be studied longitudinally (Liu 2007).

Moreover, participation in an LP changes customers' consumption behaviour over time (Dorotic 2011). In the first essay, LP and company engagement were measured at one point in time. In the second essay, the engagement level is only meausured once, after inducement of the stimuli. The first study of our third essay uses a single indicator for speed of earning and point redemption in a period of 13 months, attitudinal loyalty is only measured once. In the second study, attitudinal loyalty is measured at two different points in time but, since the second survey was sent out only one month after the first one, it is unlikely that a longitudinal effect can be observed. Future research on the drivers of LP engagement in long-term relationships should adress this issue by assessing LP engagement and company loyalty based on longitudinal data.

Sixth, customers increasingly use new media for sharing comments and reviews about services, products and companies (Hennig-Thurau et al. 2010). These articulations have been labelled as electronic word-of-mouth (eWOM) (Hennig-Thurau et al. 2010). Sharing information about the program constitutes a behaviour of LP engagement; future research should investigate how eWOM through new media impacts LP engagement. How do these interactions between customers have an influence on customer's engagement with LPs? Should companies give the power to their customers to engage friends and followers in a genuine manner through a widely used platform to build greater engagement and loyalty? In addition, even though companies reward their customers for purchases, customers want to be recognized for their engagement with a brand (Crowdtwist 2016). It would be of interest to investigate if companies should reward LP engagement behaviours, in addition to rewarding purchases, to build relationships with their customers.

To conclude, this doctoral dissertation uncovers some important factors that influence customers' engagement and loyalty with LPs and companies. Considering that LPs are very popular but fail in engaging customers in relationships, this doctoral research addresses this issue by *assessing the effectiveness of loyalty programs in building engagement and loyalty*. However, after developing a measure for engagement in LPs, this dissertation only evaluated a small part of the potential factors that determine the effectiveness of LPs on engagement and loyalty. We thus hope that the research achieved in this doctoral dissertation will stimulate future research endeavors in that direction.

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Louvain School of Management

Doctoral Thesis

Assessing the effectiveness of loyalty programs in building engagement and loyalty

Virginie BRUNEAU

There is no doubt that loyalty programs are still popular. But are they still effective? Marketers continue to put more and more time and money into their programs, but are they getting the kind of payoffs they expect in customer relationships and engagement? Taking this issue as a starting point, this doctoral dissertation assesses the effectiveness of loyalty programs in building customer engagement and loyalty. Specifically, the first essay shows what engagement with loyalty programs is, develops a valid scale for it and assesses its link with company engagement. In addition, this essay shows that traditionally used measures of loyalty program engagement such as card usage or point redemption do not reflect effectively customer engagement with the company. The second essay identifies what reward types and communication should be used to make members more engaged in loyalty programs. The third essay identifies the behavioural patterns that reduce the gap between program loyalty and company loyalty. In addition, this essay investigates the impact of loyalty program related communication on this gap.

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Virginie BRUNEAU holds a Master's degree in Business Engeering from the Université catholique de Louvain. She has previously worked as a product manager in the private sector and is currently teaching and research assistant at Université catholique de Louvain. She is also a member of the Center on Consumers and Marketing Strategy (CCMS). Her main research interests include relationship marketing, customer loyalty and customer engagement.

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